200 Frank Road Realty Corp.

200 Frank Road

Hicksville, New York 11801

516 433 2055 fax 516 433 4807

Ms. Beverly Kolenberg, Assistant Regional Council

Office of Regional Council,

U.S. Environmental Protection Agency

290 Broadway, 17th Floor

New York, NY10007-1866

Jennifer La Poma

Remedial Project manager,

Emergency and Remedial Response Division

290 Broadway, 20th floor

New York, NY 10007-1866

August 5, 2013

To whom it may concern,

The responses to your request for information concerning the former Bowe Systems and Machinery, 200 Frank Road, Hicksville, NY 11801 is as follows.

Question 1

a. **200 Frank Road Realty Corp**
   200 Frank Road
   Hicksville, New York 11801
b. **Frederick P. von Bargen , CEO,**
   200 Frank Road, Hicksville, New York 11801

241147

200 Frank Road Realty Corp

Question 1

c. **Incorporated in the State of New York Dec, 8 2003**
d. **Not affiliated with any other company**

Question 2.

Section 22, Block H, lot 458

Question 3.

a. **Date purchase December 18th 2003**
b. **Frank Road Properties**
   James Meglino, Josephine Meglino
   100 Frank Road
   Hicksville, New York 11801
c. **Applied Multimedia Devices (AMDI)**
   95 Sherwood Avenue
   Farmingdale, NY 11735 **April 1 2002 –May 29,2009**

   Hank Lane Music
   200 Frank Road
   Hicksville, New York 11801 **June 1 2009- present**

   Nanoia Recycling Equipment
   200 Frank Road
   Hicksville, NY 11801 **December 1 2003 – present**
d. **No interests transferred or sold**
e. **Common ownership between 200 Frank Road Realty and Nanoia Recycling**
   No interest or commonality between Nanoia, 200 Frank Road Realty and AMDI or Hank Lane Music.
f. **No involvement**
g. **Leases attached**

Question 4.

a. **Attached**
b. **Attached**
c. **There are no chemical storages. No hazardous storage, no spill or disposal areas.**

Question 5

Question 5.

a. **Nanoia's use of the property is limited to storage and warehouse purposes. Hank Lane Music is also office and warehouse, AMDI use was office and assembly of electronic components**

Question 6

a. **Nanoia does not handle, store, use, transport, sell or otherwise become involved with chemicals. The building at 200 Frank Road does not contain TCE, PCE, TCA or any other chlorinated or non chlorinated solvents. Hank Lane Music is strictly a warehouse for party games. AMDI never stored or used chemicals.**

Question 7 Not applicable

Question 8 Not applicable

Question 9 Bowie Systems was an owner of the building at 200 Frank Road and sold dry cleaning equipment (I was told but have no direct knowledge of the operations conducted by Bowie). I have enclosed all copies of all information received when we purchase the building in 2003.

Question 10 All information I have containing the alleged spill by Bowie Systems is contained within the attached correspondence which was created several years prior to our purchase of the building.

Question 11 Copies of insurance policies which are available are attached.

Question 12 Christine Meglino is the widow of Don Meglino who sold the property at 200 Frank Road to us in 2003. She might be able to provide you with the name and address of or have access to the record of sale from Bowie to the 100 Frank Road Corporation, her address is Christine Meglino, 6 Circle Way, Sea Cliff, NY 11579.

Question 13 No information available

Question 14 No one assisted me in preparing this report

Fred von Bargen, 200 Frank Road, Hicksville, NY 11801

Fred von Bargen

CERTIFICATION OF ANSWERS TO REQUEST FOR INFORMATION

State of New York

County of Nassau

I certify under penalty of law that I have personally examined and am familiar with the information submitted in this document (response to EPA Request for Information regarding the New Cassel/Hicksville Site) and all documents submitted herewith, and that I believe that the submitted information is true, accurate, and complete, and that all documents submitted herewith are complete and authentic unless otherwise indicated. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment. I am also aware that I am under a continuing obligation to supplement my response to EPA's Request for Information if any additional information relevant to the matters addressed in EPA's Request for Information or my response thereto should become known or available to me.

FRED VON BRAUN

NAME (print or type)

PRESIDENT

TITLE (print or type)

SIGNATURE

Sworn to before me this

12th day of August, 2013

Andrew Bova

Notary Public

ANDREW BOVA
Notary Public, State of New York
No. 01BO6116456
Qualified in Nassau County
Commission Expires October 4, 2016

QUESTION 3
ANSWER G

A 35 — Lease, Business Premises, Loft, Office or Store 11-98

DISTRIBUTED BY Blumberg Excelsior Inc. NYC 10013

Really Corp

This Lease made the 1st day of April, 2009 between 200 Frank Road, LLC, having its principle office at 200 Frank Road, Hicksville, New York 11801

hereinafter referred to as LANDLORD. and

H.D. BARMAR, LTD. having its principle offices at 65 West 55th Street, # 304, New York, NY 10019

hereinafter jointly, severally and collectively referred to as TENANT

Witnesseth, that the Landlord hereby leases to the Tenant, and the Tenant hereby hires and takes from the Landlord Entire Front Portion (15,000 sq. ft. +/-)

in the building known as 200 Frank Road, Hicksville, New York

to be used and occupied by the Tenant as a sales office and warehouse/showroom for entertainment event planning, services and products

and for no other purpose, for a term to commence on or about April 1, 2009 and to end on January 31, 2020 unless sooner terminated as hereinafter provided, at the ANNUAL RENT of

SEE RIDER TO LEASE ATTACHED

all payable in equal monthly instalments in advance on the first day of each and every calendar month during said term, except the first instalment, which shall be paid upon the execution hereof.

THE TENANT JOINTLY AND SEVERALLY COVENANTS:

FIRST.—That the Tenant will pay the rent as above provided. 1/

REPAIRS

SECOND.—That throughout said term the Tenant will take good care of the demised premises, fixtures and appurtenances, and all alterations, additions and improvements to either; make all repairs in and about the same necessary to preserve them in good order and condition, which repairs shall be in quality and class, equal to the original work; promptly pay the expense of such repairs; suffer no waste or injury; give prompt notice to the Landlord of any fire that may occur; execute and comply with all laws, rules, orders, ordinances and regulations at any time issued or in force (except those requiring structural alterations), applicable to the demised premises or to the Tenant's occupation thereof, of the Federal, State and Local Governments, and of each and every department, bureau and official thereof, and of the New York Board of Fire Underwriters; permit at all times during usual business hours, the Landlord and representatives of the Landlord to enter the demised premises for the purpose of inspection, and to exhibit them for purposes of sale or rental; suffer the Landlord to make repairs and improvements to all parts of the building, and to comply with [illegible] of governmental authority applicable to said building or to any occupation thereof; suffer the Landlord to erect, use, maintain, repair and replace pipes and conduits in the demised premises and to the floors above and below; forever indemnify and save harmless the Landlord for and against any and all liability, penalties, damages, expenses and judgments arising from injury during said term to person or property of any nature, occasioned wholly or in part by any act or acts, omission or omissions of the Tenant, or of the employees, guests, agents, assigns or undertenants of the Tenant and also for any matter or thing growing out of the occupation of the demised premises or of the streets, sidewalks or vaults adjacent thereto; permit, during the six months next prior to the expiration of the term the usual notice "To Let" to be placed and to remain unmolested in a conspicuous place upon the exterior of the demised premises; repair, at or before the end of the term, all injury done by the installation or removal of furniture and property; and at the end of the term, to quit and surrender the demised premises with all alterations, additions and improvements in good order and condition.

ORDINANCES AND VIOLATIONS 2/

ENTRY 3/

INDEMNIFY LANDLORD 4/

THIRD.—That the Tenant will not disfigure or deface any part of the building, or suffer the same to be done, except so far as may be necessary to affix such trade fixtures as are herein consented to by the Landlord; the Tenant will not obstruct, or permit the obstruction of the street or the sidewalk adjacent thereto; will not do anything, or suffer anything to be done upon the demised premises which will increase the rate of fire insurance upon the building or any of its contents, or be liable to cause structural injury to said building; will not permit the accumulation of waste or refuse matter, and will not, without the written consent of the Landlord first obtained in each case, either sell, assign, mortgage or transfer this lease, underlet the demised premises or any part thereof, permit the same or any part thereof to be occupied by anybody other than the Tenant and the Tenant's employees, make any alterations in the demised premises, use the demised premises or any part thereof for any purpose other than the one first above stipulated, or for any purpose deemed extra hazardous on account of fire risk, nor in violation of any law or ordinance. That the Tenant will not obstruct or permit the obstruction of the light, halls, stairway or entrances to the building, and will not erect or inscribe any sign, signals or advertisements unless and until the style and location thereof have been approved by the Landlord; and if any be erected or inscribed without such approval, the Landlord may remove the same. No water cooler, air conditioning unit or system or other apparatus shall be installed or used without the prior written consent of Landlord.

MOVING INJURY SURRENDER 5/

NEGATIVE COVENANTS 6/

OBSTRUCTION SIGNS

AIR CONDITIONING 7/

IT IS MUTUALLY COVENANTED AND AGREED, THAT 8/

FIRE CLAUSE

FOURTH.—If the demised premises shall be partially damaged by fire or other cause without the fault or neglect of Tenant, Tenant's servants, employees, agents, visitors or licensees, the damages shall be repaired by and at the expense of Landlord and the rent until such repairs shall be made shall be apportioned according to the part of the demised premises which is usable by Tenant. But if such partial damage is due to the fault or neglect of Tenant, Tenant's servants, employees, agents, visitors or licensees, without prejudice to any other rights and remedies of Landlord and without prejudice to the rights of subrogation of Landlord's insurer, the damages shall be repaired by Landlord but there shall be no apportionment or abatement of rent. No penalty shall accrue for reasonable delay which may arise by reason of adjustment of insurance on the part of Landlord and/or Tenant, and for reasonable delay on account of "labor troubles", or any other cause beyond Landlord's control. If the demised premises are totally damaged or are rendered wholly untenantable by fire or other cause, and if Landlord shall decide not to restore or not to rebuild the same, or if the building shall be so damaged that Landlord shall decide to demolish it or to rebuild it, then or in any of such events Landlord may, within ninety (90) days after such fire or other cause, give Tenant a notice in writing of such decision, which notice shall be given as in Paragraph Twelve hereof provided, and thereupon the term of this lease shall expire by lapse of time upon the third day after such notice is given, and Tenant shall vacate the demised premises and surrender the same to Landlord. If Tenant shall not be in default under this lease then, upon the termination of this lease under the conditions provided for in the sentence immediately preceding, Tenant's liability for rent shall cease as of the day following the casualty. Tenant hereby expressly waives the provisions of Section 227 of the Real Property Law and agrees that the foregoing provisions of this Article shall govern and control in lieu thereof. If the damage or destruction be due to the fault or neglect of Tenant the debris shall be removed by, and at the expense of, Tenant.

EMINENT DOMAIN

FIFTH.—If the whole or any part of the premises hereby demised shall be taken or condemned by any competent authority for any public use or purpose then the term hereby granted shall cease from the time when possession of the part so taken shall be required for such public purpose and without apportionment of award, the Tenant hereby assigning to the Landlord all right and claim to any such award, the current rent, however, in such case to be apportioned.

LEASE NOT IN EFFECT

SIXTH.—If, before the commencement of the term, the Tenant be adjudicated a bankrupt, or make a "general assignment," or take the benefit of any insolvent act, or if a Receiver or Trustee be appointed for the Tenant's property, or if this lease or the estate of the Tenant hereunder be transferred or pass to or devolve upon any other person or corporation, or if the Tenant shall default in the performance of any agreement by the Tenant contained in any other lease to the Tenant by the Landlord or by any corporation of which an officer of the Landlord is a Director, this lease shall thereby, at the option of the Landlord, be terminated and in that case, neither the Tenant nor anybody claiming under the Tenant shall be entitled to go into possession of the demised premises. If after the commencement of the term, any of the events mentioned above in this subdivision shall occur, or if Tenant shall make default in fulfilling any of the covenants of this lease, other than the covenants for the payment of rent or "additional rent" or if the demised premises become vacant or deserted, the Landlord may give to the Tenant ten days' notice of intention to end the term of this lease, and thereupon at the expiration of said ten days (if said condition which was the basis of said notice shall continue to exist) the term under this lease shall expire as fully and completely as if that day were the date herein definitely fixed for the expiration of the term and the Tenant will then quit and surrender the demised premises to Landlord, but the Tenant shall remain liable as hereinafter provided.

DEFAULTS 9/

TEN DAY NOTICE

10/

RE-POSSESSION BY LANDLORD **RE-LETTING** **WAIVER BY TENANT**

If the Tenant shall make default in the payment of the rent reserved hereunder, or any item of "additional rent" herein mentioned, or any part of either or in making any other payment herein provided for, or if the notice last above provided for shall have been given and if the condition which was the basis of said notice shall exist at the expiration of said ten days' period the Landlord may immediately, or at any time thereafter, re-enter the demised premises and remove all persons and all or any property therefrom, either by summary dispossess proceedings, or by any suitable action or proceeding at law, or by force or otherwise, without being liable to indictment, prosecution or damages therefor, and re-possess and enjoy said premises together with all additions, alterations and improvements. In any such case or in the event that this lease be "terminated" before the commencement of the term, as above provided, the Landlord may either re-let the demised premises or any part or parts thereof for the Landlord's own account, or may, at the Landlord's option, re-let the demised premises or any part or parts thereof for agent of the Tenant, and receive the rents therefor, applying the same first to the payment of such expenses as the Landlord may have incurred, and then to the fulfillment of the covenants of the Tenant herein, and the balance, if any, at the expiration of the term first above provided for, shall be paid to the Tenant. Landlord may rent the premises for a term extending beyond the term hereby granted without releasing Tenant from any liability. In the event that the term of this lease shall expire as above in this subdivision "Sixth" provided, or terminate by summary proceedings or otherwise, and if the Landlord shall not re-let the demised premises for the Landlord's own account, then, whether or not the premises be re-let, the Tenant shall remain liable for, and the Tenant hereby agrees to pay to the Landlord, until the time when this lease would have expired but for such termination or expiration, the equivalent of the amount of all of the rent and "additional rent" reserved herein, less the avails of reletting, if any, and the same shall be due and payable by the Tenant to the Landlord on the several rent days above specified, that is, upon each of such rent days the Tenant shall pay to the Landlord the amount of deficiency then existing. The Tenant hereby expressly waives any and all right of redemption in case the Tenant shall be dispossessed by judgment or warrant of any court or judge, and the Tenant waives and will waive all right to trial by jury in any summary proceedings hereafter instituted by the Landlord against the Tenant in respect to the demised premises. The words "re-enter" and "re-entry" as used in this lease are not restricted to their technical legal meaning. 9

REMEDIES ARE CUMULATIVE

In the event of a breach or threatened breach by the Tenant of any of the covenants or provisions hereof, the Landlord shall have the right of injunction and the right to invoke any remedy allowed at law or in equity, as if re-entry, summary proceedings and other remedies were not herein provided for.

11/

LANDLORD MAY PERFORM **ADDITIONAL RENT**

SEVENTH.—If the Tenant shall make default in the performance of any covenant herein contained, the Landlord may immediately, or at any time thereafter, without notice, perform the same for the account of the Tenant. If a notice of mechanic's lien be filed against the demised premises or against premises of which the demised premises are part, for, or purporting to be for, labor or material alleged to have been furnished, or to be furnished to or for the Tenant at the demised premises, and if the Tenant shall fail to take such action as shall cause such lien to be discharged within fifteen days after the filing of such notice, the Landlord may pay the amount of such lien or discharge the same by deposit or by bonding proceedings, and in the event of such deposit or bonding proceedings, the Landlord may require the lienor to prosecute an appropriate action to enforce the lienor's claim. In such case, the Landlord may pay any judgment recovered on such claim. Any amount paid or expense incurred by the Landlord as in this subdivision of this lease provided, and any amount as to which the Tenant shall at any time be in default for or in respect to the use of water, electric current or sprinkler supervisory service, and any expense incurred or sum of money paid by the Landlord by reason of the failure of the Tenant to comply with any provision hereof, or in defending any such action, shall be deemed to be "additional rent" for the demised premises, and shall be due and payable by the Tenant to the Landlord on the first day of the next following month, or, at the option of the Landlord, on the first day of any succeeding month. The receipt by the Landlord of any instalment of the regular stipulated rent hereunder or any of said "additional rent" shall not be a waiver of any other "additional rent" then due. 12

AS TO WAIVERS

EIGHTH.—The failure of the Landlord to insist, in any one or more instances upon a strict performance of any of the covenants of this lease, or to exercise any option herein contained, shall not be construed as a waiver or a relinquishment for the future of such covenant or option, but the same shall continue and remain in full force and effect. The receipt by the Landlord of rent, with knowledge of the breach of any covenant hereof, shall not be deemed a waiver of such breach and no waiver by the Landlord of any provision hereof shall be deemed to have been made unless expressed in writing and signed by the Landlord. Even though the Landlord shall consent to an assignment hereof no further assignment shall be made without express consent in writing by the Landlord.

COLLECTION OF RENT FROM OTHERS

NINTH.—If this lease be assigned, or if the demised premises or any part thereof be underlet or occupied by anybody other than the Tenant the Landlord may collect rent from the assignee, under-tenant or occupant, and apply the net amount collected to the rent herein reserved, and no such collection shall be deemed a waiver of the covenant herein against assignment and underletting, or the acceptance of the assignee, under-tenant or occupant as tenant, or a release of the Tenant from the further performance by the Tenant of the covenants herein contained on the part of the Tenant.

MORTGAGES

TENTH.—This lease shall be subject and subordinate at all times, to the lien of the mortgages now on the demised premises, and to all advances made or hereafter to be made upon the security thereof, and subject and subordinate to the lien of any mortgage or mortgages which at any time may be made a lien upon the premises. The Tenant will execute and deliver such further instrument or instruments subordinating this lease to the lien of any such mortgage or mortgages as shall be desired by any mortgagee or proposed mortgagee. The Tenant hereby appoints the Landlord the attorney-in-fact of the Tenant, irrevocable, to execute and deliver any such instrument or instruments for the Tenant.

IMPROVEMENTS

ELEVENTH.—All improvements made by the Tenant to or upon the demised premises, except said trade fixtures, shall when made, at once be deemed to be attached to the freehold, and become the property of the Landlord, and at the end or other expiration of the term, shall be surrendered to the Landlord in as good order and condition as they were when installed, reasonable wear and damages by the elements excepted.

NOTICES

TWELFTH.—Any notice or demand which under the terms of this lease or under any statute must or may be given or made by the parties hereto shall be in writing and shall be given or made by mailing the same by certified or registered mail addressed to the respective parties at the addresses set forth in this lease. 13/

NO LIABILITY

THIRTEENTH.—The Landlord shall not be liable for any failure of water supply or electrical current, sprinkler damage, or failure of sprinkler service, nor for injury or damage to person or property caused by the elements or by other tenants or persons in said building, or resulting from steam, gas, electricity, water, rain or snow, which may leak or flow from any part of said buildings, or from the pipes, appliances or plumbing works of the same, or from the street or sub-surface, or from any other place, nor for interference with light or other incorporeal hereditaments by anybody other than the Landlord, or caused by operations by or for a governmental authority in construction of any public or quasi-public work, neither shall the Landlord be liable for any latent defect in the building.

NO ABATEMENT

FOURTEENTH.—No diminution or abatement of rent, or other compensation shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the building or to its appliances, nor for any space taken to comply with any law, ordinance or order of a governmental authority. In respect to the various "services," if any, herein expressly or impliedly agreed to be furnished by the Landlord to the Tenant, it is agreed that there shall be no diminution or abatement of the rent, or any other compensation, for interruption or curtailment of such "service" when such interruption or curtailment shall be due to accident, alterations or repairs desirable or necessary to be made or to inability or difficulty in securing supplies or labor for the maintenance of such "service" or to some other cause, not gross negligence on the part of the Landlord. No such interruption or curtailment of any such "service" shall be deemed a constructive eviction. The Landlord shall not be required to furnish, and the Tenant shall not be entitled to receive, any of such "services" during any period wherein the Tenant shall be in default in respect to the payment of rent. Neither shall there be any abatement or diminution of rent because of making of repairs, improvements or decorations to the demised premises after the date above fixed for the commencement of the term, it being understood that rent

14/ shall, in any event, commence to run at such date so above fixed.

RULES, ETC.

FIFTEENTH.—The Landlord may prescribe and regulate the placing of safes, machinery, quantities of merchandise and other things. The Landlord may also prescribe and regulate which elevator and entrances shall be used by the Tenant's employees, and for the Tenant's shipping. The Landlord may make such other and further rules and regulations as, in the Landlord's judgment, may from time to time be needful for the safety, care or cleanliness of the building, and for the preservation of good order therein. The Tenant and the employees and agents of the Tenant will observe and conform to all such rules and regulations. 15 16/

SHORING OF WALLS

SIXTEENTH.—In the event that an excavation shall be made for building or other purposes upon land adjacent to the demised premises or shall be contemplated to be made, the Tenant shall afford to the person or persons causing or to cause such excavation, license to enter upon the demised premises for the purpose of doing such work as said person or persons shall deem to be necessary to preserve the wall or walls, structure or structures upon the demised premises from injury and to support the same by proper foundations.

VAULT SPACE

SEVENTEENTH.—No vaults or space not within the property line of the building are leased hereunder. Landlord makes no representation as to the location of the property line of the building. Such vaults or space as Tenant may be permitted to use or occupy are to be used or occupied under a revocable license and if such license be revoked by the Landlord as to the use of part or all of the vaults or space Landlord shall not be subject to any liability; Tenant shall not be entitled to any compensation or reduction in rent nor shall this be deemed constructive or actual eviction. Any tax, fee or charge of municipal or other authorities for such vaults or space shall be paid by the Tenant for the period of the Tenant's use or occupancy thereof.

17/

ENTRY

EIGHTEENTH.—That during seven months prior to the expiration of the term hereby granted, applicants shall be admitted at all reasonable hours of the day to view the premises until rented; and the Landlord and the Landlord's agents shall be permitted at any time during the term to visit and examine them at any reasonable hour of the day, and workmen may enter at any time, when authorized by the Landlord or the Landlord's agents, to make or facilitate repairs in any part of the building; and if the said Tenant shall not be personally present to open and permit an entry into said premises, at any time, when for any reason an entry therein shall be necessary or permissible hereunder, the Landlord or the Landlord's agents may forcibly enter the same without rendering the Landlord or such agents liable to any claim or cause of action for damages by reason thereof (if during such entry the Landlord shall accord reasonable care to the Tenant's property) and without in any manner affecting the obligations and covenants of this lease; it is, however, expressly understood that the right and authority hereby reserved, does not impose, nor does the Landlord assume, by reason thereof, any responsibility or liability whatsoever for the care or supervision of said premises, or any of the pipes, fixtures, appliances or appurtenances therein contained or therewith in any manner connected.

NO REPRESENTATIONS

NINETEENTH.—The Landlord has made no representations or promises in respect to said building or to the demised premises except those contained herein, and those, if any, contained in some written communication to the Tenant, signed by the Landlord. This instrument may not be changed, modified, discharged or terminated orally.

ATTORNEY'S FEES

TWENTIETH.—If the Tenant shall at any time be in default hereunder, and if the Landlord shall institute an action or summary proceeding against the Tenant based upon such default, then the Tenant will reimburse the Landlord for the expense of attorneys' fees and disbursements thereby incurred by the Landlord, so far as the same are reasonable in amount. Also so long as the Tenant shall be a tenant hereunder the amount of such expenses shall be deemed to be "additional rent" hereunder and shall be due from the Tenant to the Landlord on the first day of the month following the incurring of such respective expenses. 18/

POSSESSION

TWENTY-FIRST.—Landlord shall not be liable for failure to give possession of the premises upon commencement date by reason of the fact that premises are not ready for occupancy, or due to a prior Tenant wrongfully holding over or any other person wrongfully in possession or for any other [illegible]

THE TENANT FURTHER COVENANTS:

IF A FIRST FLOOR

TWENTY-SECOND.—If the demised premises or any part thereof consist of a store, or of a first floor, or of any part thereof, the Tenant ~~will keep the sidewalk and curb in front thereof clean at all times and free from snow and ice, and~~ will keep insured in favor of the Landlord, all plate glass therein and furnish the Landlord with policies of insurance covering the same.

INCREASED FIRE INSURANCE RATE

TWENTY-THIRD.—If by reason of the conduct upon the demised premises of a business not herein permitted, or if by reason of the improper or careless conduct of any business upon or use of the demised premises, the fire insurance rate shall at any time be higher than it otherwise would be, then the Tenant will reimburse the Landlord, as additional rent hereunder, for that part of all fire insurance premiums hereafter paid out by the Landlord which shall have been charged because of the conduct of such business not so permitted, or because of the improper or careless conduct of any business upon or use of the demised premises, and will make such reimbursement upon the first day of the month following such outlay by the Landlord; but this covenant shall not apply to a premium for any period beyond the expiration date of this lease, first above specified. In any action or proceeding wherein the Landlord and Tenant are parties, a schedule or "make up" of rate for the building on the demised premises, purporting to have been issued by New York Fire Insurance Exchange, or other body making fire insurance rates for the demised premises, shall be prima facie evidence of the facts therein stated and of the several items and charges included in the fire insurance rate then applicable to the demised premises.

WATER RENT

TWENTY-FOURTH.—If a separate water meter be installed for the demised premises, or any part thereof, the Tenant will keep the same in repair and pay the charges made by the municipality or water supply company for or in respect to the consumption of water, as and when bills therefor are rendered. If the demised premises, or any part thereof, be supplied with water through a meter which supplies other premises, the Tenant will pay to the Landlord, as and when bills are rendered therefor, the Tenant's proportionate part of all charges which the municipality or water supply company shall make for all water consumed through said meter, as indicated by said meter. Such proportionate part shall be fixed by apportioning the respective charge according to floor area against all of the rentable floor area in the building (exclusive of the basement) which shall have been occupied during the period of the respective charges, taking into account the period that each part of such area was occupied. Tenant agrees to pay as additional rent the Tenant's proportionate part, determined as aforesaid, of the sewer rent or charge imposed or assessed upon the building of which the premises are a part.

SEWER

ELECTRIC CURRENT

TWENTY-FIFTH.—That the Tenant will purchase from the Landlord, if the Landlord shall so desire, all electric current that the Tenant requires at the demised premises, and will pay the Landlord for the same, as the amount of consumption shall be indicated by the meter furnished therefor. The price for said current shall be the same as that charged for consumption similar to that of the Tenant by the company supplying electricity in the same community. Payments shall be due as and when bills shall be rendered. The Tenant shall comply with like rules, regulations and contract provisions as those prescribed by said company for a consumption similar to that of the Tenant.

SPRINKLER SYSTEM

TWENTY-SIXTH.—If there now is or shall be installed in said building a "sprinkler system" the Tenant agrees to keep the appliances thereto in the demised premises in repair and good working condition, and if the New York Board of Fire Underwriters or the New York Fire Insurance Exchange or any bureau, department or official of the State or local government requires ~~or recommends~~ that any changes, modifications, alterations or additional sprinkler heads or other equipment be made or supplied by reason of the Tenant's business, or the location of partitions, trade fixtures, or other contents of the demised premises, or if such changes, modifications, alterations, additional sprinkler heads or other equipment in the demised premises are necessary to prevent the imposition of a penalty or charge against the full allowance for a sprinkler system in the fire insurance rate as fixed by said Exchange, or by any Fire Insurance Company, the Tenant will at the Tenant's own expense, promptly make and supply such changes, modifications, alterations, additional sprinkler heads or other equipment. As additional rent hereunder the Tenant will pay to the Landlord, annually in advance, throughout the term $....., toward the contract price for sprinkler supervisory service.

SECURITY

TWENTY-SEVENTH.—The sum of Twenty Nine Thousand Six Hundred .....Dollars is deposited by the Tenant herein with the Landlord herein as security for the faithful performance of all the covenants and conditions of the lease by the said Tenant. If the Tenant faithfully performs all the covenants and conditions on his part to be performed, then the sum deposited shall be returned to said Tenant.

NUISANCE

TWENTY-EIGHTH.—This lease is granted and accepted on the especially understood and agreed condition that the Tenant will conduct his business in such a manner, both as regards noise and kindred nuisances, as will in no wise interfere with, annoy, or disturb any other tenants, in the conduct of their several businesses, or the landlord in the management of the building; under penalty of forfeiture of this lease and consequential damages.

19/

BROKERS COMMISSIONS

TWENTY-NINTH.—The Landlord hereby recognizes UNITED REALTY as the broker who negotiated and consummated this lease with the Tenant herein, and agrees that if, as, and when the Tenant exercises the option, if any, contained herein to renew this lease, or fails to exercise the option, if any, contained therein to cancel this lease, the Landlord will pay to said broker a further commission in accordance with the rules and commission rates of the Real Estate Board in the community. A sale, transfer, or other disposition of the Landlord's interest in said lease shall not operate to defeat the Landlord's obligation to pay the said commission to the said broker. The Tenant herein hereby represents to the Landlord that the said broker is the sole and only broker who negotiated and consummated this lease with the Tenant.

WINDOW CLEANING

THIRTIETH.—The Tenant agrees that it will not require, permit, suffer, nor allow the cleaning of any window, or windows, in the demised premises from the outside (within the meaning of Section 202 of the Labor Law) unless the equipment and safety devices required by law, ordinance, regulation or rule, including, without limitation, Section 202 of the New York Labor Law, are provided and used, and unless the rules, or any supplemental rules of the Industrial Board of the State of New York are fully complied with; and the Tenant hereby agrees to indemnify the Landlord, Owner, Agent, Manager and/or Superintendent, as a result of the Tenant's requiring, permitting, suffering, or allowing any window, or windows in the demised premises to be cleaned from the outside in violation of the requirements of the aforesaid laws, ordinances, regulations and/or rules.

VALIDITY

THIRTY-FIRST.—The invalidity or unenforceability of any provision of this lease shall in no way affect the validity or enforceability of any other provision hereof.

EXECUTION & DELIVERY OF LEASE

THIRTY-SECOND.—In order to avoid delay, this lease has been prepared and submitted to the Tenant for signature with the understanding that it shall not bind the Landlord unless and until it is executed and delivered by the Landlord.

EXTERIOR OF PREMISES

THIRTY-THIRD.—~~The Tenant will keep clean and polished all metal, trim, marble and stonework which are a part of the exterior of the premises, using such materials and methods as the Landlord may direct, and if the Tenant shall fail to comply with the provisions of this paragraph, the Landlord may cause such work to be done at the expense of the Tenant.~~

PLATE GLASS

THIRTY-FOURTH.—The Landlord shall replace at the expense of the Tenant any and all broken glass in the skylights, doors and walls in and about the demised premises. The Landlord may insure and keep insured all plate glass in the skylights, doors and walls in the demised premises, for and in the name of the Landlord and bills for the premiums therefor shall be rendered by the Landlord to the Tenant at such times as the Landlord may elect, and shall be due from and payable by the Tenant when rendered, and the amount thereof shall be deemed to be, and shall be paid as, additional rent.

WAR EMERGENCY

THIRTY-FIFTH.—This lease and the obligation of Tenant to pay rent hereunder and perform all of the other covenants and agreements hereunder on part of Tenant to be performed shall in nowise be affected, impaired or excused because Landlord is unable to supply or is delayed in supplying any service expressly or impliedly to be supplied or is unable to make, or is delayed in making any repairs, additions, alterations or decorations or is unable to supply or is delayed in supplying any equipment or fixtures if Landlord is prevented or delayed from so doing by reason of governmental preemption in connection with a National Emergency declared by the President of the United States or in connection with any rule, order or regulation of any department or subdivision thereof of any government agency or by reason of the conditions of supply and demand which have been or are affected by war or other emergency.

THE LANDLORD COVENANTS

QUIET POSSESSION

FIRST.—That if and so long as the Tenant pays the rent and "additional rent" reserved hereby, and performs and observes the covenants and provisions hereof, the Tenant shall quietly enjoy the demised premises, subject, however, to the terms of this lease, and to the mortgages above mentioned, provided however, that this covenant shall be conditioned upon the retention of title to the premises by Landlord.

ELEVATOR

HEAT

SECOND.—Subject to the provisions of Paragraph "Fourteenth" above the Landlord will furnish the following respective services: (a) Elevator service, if the building shall contain an elevator or elevators, on all days except Sundays and holidays, from 8:00 ~~A.M. to 6:00 P.M. and on Saturdays from 8:00 A.M. to 1:00 P.M.~~; (b) Heat, during the same hours on the same days in the cold season in each year.

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And it is mutually understood and agreed that the covenants and agreements contained in the within lease shall be binding upon the parties hereto and upon their respective successors, heirs, executors and administrators.

In Witness Whereof, the Landlord and Tenant have respectively signed and sealed these presents the day and year first above written.

200 Frank Road, LLC

By:.....[L. S.]
Member
Landlord

IN PRESENCE OF:

H.D. BARMAR, LTD.

By:.....[L. S.]
President
Tenant

ACKNOWLEDGMENT IN NEW YORK STATE (RPL 309-a)

State of New York, County of ss.:

On before me, the undersigned, personally appeared

personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

(signature and office of individual taking acknowledgment)

ACKNOWLEDGMENT OUTSIDE NEW YORK STATE (RPL 309-b)

State of County of ss.:

On before me, the undersigned, personally appeared

personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument, and that such individual made such appearance before the undersigned in

(insert city or political subdivision and state or county or other place acknowledgment taken)

(signature and office of individual taking acknowledgment)

ACKNOWLEDGMENT BY SUBSCRIBING WITNESS(ES)

State of
County of } ss.:

On before me, the undersigned, personally appeared

the subscribing witness(es) to the foregoing instrument, with whom I am personally acquainted, who, being by me duly sworn, did depose and say that he/she/they reside(s) in *(if the place of residence is in a city, include the street and street number, if any, thereof)*;

that he/she/they know(s)

to be the individual(s) described in and who executed the foregoing instrument; that said subscribing witness(es) was (were) present and saw said

execute the same; and that said witness(es) at the same time subscribed his/her/their name(s) as a witness(es) thereto.

(☐ *if taken outside New York State insert city or political subdivision and state or country or other place acknowledgment taken* And that said subscribing witness(es) made such appearance before the undersigned in

(signature and office of individual taking acknowledgment)

BUILDING.....

Premises.....

200 Frank Road, LLC

Landlord

to

H.D. BARMAR, LTD.

Tenant

LEASE

GUARANTY

In consideration of the letting of the premises within mentioned to the Tenant within named, and of the sum of One Dollar, to the undersigned in hand paid by the Landlord within named, the undersigned hereby guarantees to the Landlord and to the heirs, successors and/or assigns of the Landlord, the payment by the Tenant of the rent, within provided for, and the performance by the Tenant of all of the provisions of the within lease. Notice of all defaults is waived, and consent is hereby given to all extensions of time that any Landlord may grant.

Dated,

State of New York, County of

On ss.: **ACKNOWLEDGMENT RPL309-a (Do not use outside New York State)**

before me, the undersigned, personally appeared

personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

(signature and office of individual taking acknowledgment)

RIDER TO LEASE

The provisions of this Rider are hereby incorporated into and made a part of the lease dated as of April 1, 2009 between 200 FRANK ROAD, LLC, a domestic limited liability company, having an address at 200 Frank Road, Hicksville, New York 11801 ("Landlord"), and H.D. BARMAR, LTD., a New York corporation, having an address at 65 West 55th Street, #302, New York, New York 10019 ("Tenant") of premises known as the front of the building, consisting of 15,000 sq. ft +/-, and as more particularly described in Exhibit "A" attached hereto and made a part hereof, at 200 Frank Road, in Town of Oyster Bay, Village of Hicksville, New York, to which this Rider is annexed. If there is any conflict between the provisions of this Rider and the remainder of this lease, the provisions of this Rider shall govern.

36. Rent

Tenant covenants to pay to Landlord as a net minimum rent, which includes sixty percent (60%) ("Tenant's Proportional Share") of the base year taxes, the "base year taxes" being defined as $41,294.05 for the 2009 Town tax and $61,942.50 for the 2008-09 School tax (the "fixed rent") as follows:

Lease Year	From	To	Total Annual Base Rent	Monthly Installment
1	4/1/2009	3/31/2010	$148,000.00	$14,800.00
2	4/1/2010	3/31/2011	$180,000.00	$15,000.00
3	4/1/2011	3/30/2012	$185,400.00	$15,450.00
4	4/1/2012	3/31/2013	$190,962.00	$15,913.50
5	4/1/2013	3/31/2014	$196,690.86	$16,390.91
6	4/1/2014	3/30/2015	$202,591.59	$16,882.63
7	4/1/2015	3/31/2016	$208,669.34	$17,389.11
8	4/1/2016	3/30/2017	$214,929.42	$17,910.79
9	4/1/2017	3/31/2018	$221,377.30	$18,448.11
10	4/1/2018	5/31/2019	$266,021.72	$19,001.55

The fixed rent shall be payable in advance in equal monthly installments on the first day of each calendar month beginning on the Commencement Date (as hereinafter defined), except that Tenant shall have a two (2) month rent abatement at the commencement of this lease as reflected in the Total Annual Base Rent for year 1 (i.e. June 1, 2009 rent commencement date). Notwithstanding the foregoing, the first monthly installment of rent shall be paid simultaneously with the execution of this lease. The "Commencement Date" shall mean the date upon which (i) exclusive possession of the demised premises shall be given to Tenant in broom-clean condition following completion of Landlord's Work (as defined in Article 37 hereinbelow), and (ii) two (2) fully-executed counterparts of this Lease shall be given to Tenant. In the event for any reason the Commencement Date shall not occur (a) on April 1, 2009, then the dates set

forth in this Lease for commencement and expiration of the term and the payment of rents due hereunder shall be amended accordingly to give logical meaning as the context shall require, and (b) on or before May 1, 2009, then the Tenant shall have the right to terminate this Lease upon three (3) days' written notice to Landlord, in which event Landlord shall promptly refund to Tenant all monies paid by Tenant on account hereof and upon such refund this Lease shall be deemed cancelled and of no force and effect and the parties hereto shall have no further rights against or obligations to the other.

Tenant also covenants to pay, from time to time as provided in this lease, as additional rent, Tenant's Proportional Share of all subsequent increases in real estate taxes over the base year taxes either: (i) in twelve (12) equal, consecutive, monthly installments, together with installments of fixed rent, or (ii) in such number of equal installments as real estate taxes for such tax year are due and payable by Landlord, no later than fifteen (15) days before said installments are due by Landlord. Landlord shall furnish to Tenant a written statement (a "Tax Statement") setting forth the amount of real estate taxes for the base year taxes, the amount of real estate taxes for each tax year during the term hereof, and setting forth the calculation of the amount of the total tax payment due by Tenant for each such tax year after the base year. Each Tax Statement furnished by Landlord shall be accompanied by copies of the tax bills from the taxing authorities relevant to the computation of the applicable tax payment.

Tenant also covenants to pay, from time to time as provided in this lease, as additional rent, all other amounts and obligations which Tenant assumes or agrees to pay under this lease and, without prejudice to any other rights, powers or remedies of Landlord, a late payment charge equal to 4% percent of the amount of any item of rent or additional rent not paid within ten (10) days of the date when due (or, if a demand therefor is required by the provisions of this lease, within ten (10) days after the date of such demand). In the event of any failure on the part of Tenant to pay any additional rent, Landlord shall have all the rights, powers and remedies provided for in this lease, at law, in equity or otherwise, in the case of nonpayment of fixed rent. Nothing herein shall be construed to extend the due dates of Tenant's payments under this lease, or to waive any rights or remedies of Landlord in the event of Tenant's late payment. Tenant's obligations to pay fixed rent and additional rent shall survive the expiration of the lease term or earlier termination of this lease.

All fixed rent and additional rent (collectively hereinafter referred to as "rent") shall be paid in such coin or currency (or, subject to collection, by good check payable in such coin or currency) of the United States of America as at the time shall be legal tender for the payment of public and private debts, at the office of Landlord as set forth above, or at such place and to such person as Landlord from time to time may designate by written notice to Tenant.

All rent shall be paid to Landlord without notice, demand, counterclaim, setoff, deduction or defense, and nothing shall suspend, defer, diminish, abate or reduce any rent, except as otherwise specifically provided in this lease.

The obligations and liabilities of Tenant hereunder in no way shall be released, discharged or otherwise affected (except as expressly provided herein) by reason of: any damage to or destruction of, or any taking by condemnation or eminent domain of, the demised premises

or any part thereof; any restriction on or interference with any use of the demised premises or any part thereof; any title defect or encumbrance or any eviction from the demised premises or any part thereof by paramount title or otherwise; any bankruptcy, insolvency, reorganization, composition, adjustment, dissolution, liquidation or other similar proceeding relating to Landlord, or any action taken with respect to this lease by any trustee or receiver of Landlord, or by any court, in any such proceeding; any claim which Tenant has or might have against Landlord; any failure on the part of Landlord to comply with or perform any provision hereof or of any other agreement with Tenant; or any other occurrence whatsoever, whether similar or dissimilar to the foregoing, whether or not Tenant shall have notice or knowledge of any of the foregoing. Except as expressly provided herein, Tenant waives all rights now or hereafter conferred by statute or otherwise to quit, terminate or surrender this lease or the demised premises or any part thereof, or to receive any abatement, suspension, deferment, diminution or reduction of any rent payable by Tenant hereunder.

37. Work To Be Performed

Landlord at Landlord's sole cost and expense shall prior to delivery of possession of the demised premises to Tenant perform the work and make the installations in the demised premises set forth in Exhibit "B" entitled "Landlord's Work" attached hereto and made a part hereof.

If Landlord hereafter agrees to perform, upon Tenant's request, and upon submission by Tenant of necessary plans and specifications, any additional or nonstandard work over and above that described in the Exhibit "B" entitled "Landlord's Work", such work shall be performed at Tenant's sole cost and expense. Prior to commencing any such work requested by Tenant, Landlord shall submit to Tenant a written estimate of the cost of such work. If Tenant shall fail to approve any such estimate within fifteen (15) days after receipt of such estimate, the same shall be deemed disapproval by Tenant in all respects, and Landlord shall not be required to proceed thereon. Tenant agrees to pay to Landlord, as additional rent, promptly upon being billed therefor, an amount equal to the cost of all such work plus an amount equal to twenty (20%) percent of such cost as compensation for Landlord's overhead. Such bills may be rendered by Landlord as the work progresses.

In all instances in which Tenant is required to supply information with regard to the work to be performed by Landlord, including, where applicable, paint color, Tenant shall supply such information within three days after request therefor.

Upon completion of the work set forth in Exhibit "B" entitled "Landlord's Work", Landlord shall have no obligation, liability or responsibility of any nature with respect to any work or installations in the demised premises, except as may be expressly set forth herein. Tenant covenants and agrees to maintain or, if necessary (and then only to the extent necessary as a result of the acts of Tenant beyond ordinary use), replace such work and installations, including without limitation carpeting and other floor covering materials. Notwithstanding anything to the contrary, Landlord shall be solely responsible for, and shall maintain, repair and

replace, all the public, structural and exterior portions of the building, except where the need therefor arises out of the negligent or willful acts of Tenant.

Tenant has examined and inspected the demised premises. Tenant agrees to accept possession of the demised premises "AS IS" except as otherwise expressly provided herein. Landlord shall not be responsible for making any improvements, alterations or repairs therein or for spending any other money to prepare the demised premises for Tenant's occupancy, except as expressly provided herein. Except as otherwise provided herein, all other improvements and alterations to the demised premises at any time after the commencement of the term of this lease shall be made at Tenant's sole cost and expense, in accordance with the provisions of this lease.

Upon the completion of the Landlord's Work, Tenant shall inspect the demised premises, approve the Landlord's Work and arrange to take possession of the demised premises within a reasonable time after such inspection and approval as aforesaid.

38. Alterations and Additions

Tenant shall not be entitled to make any alterations of or additions to the demised premises without the prior written consent of Landlord in each instance. Landlord shall not unreasonably withhold or delay such consent provided that Tenant is not in default under this lease and the alterations and additions: do not change the general character, reduce the value or impair the usefulness of the demised premises; are effected with due diligence, in a good and workmanlike manner and in compliance with all applicable laws, rules and regulations of governmental authorities and requirements of insurance companies; are promptly and fully paid for by Tenant; and are made under the supervision of an architect or engineer satisfactory to Landlord in accordance with plans and specifications approved by Landlord. Notwithstanding the foregoing, Tenant shall be entitled to perform decorative work and other non-structural alterations which do not affect the mechanical, electrical or plumbing systems of the building without Landlord's consent.

Tenant, in connection with such alterations and additions, shall provide and maintain at all times workers' compensation insurance covering all persons, contractors and subcontractor who will perform work for Tenant, in amounts, with companies, and in form and substance satisfactory to Landlord. Before proceeding with any work Tenant shall provide to Landlord certificates of such insurance.

39. Liens

Tenant shall indemnify and hold Landlord harmless from and against any and all bills for labor performed or equipment, fixtures and materials furnished to or for Tenant, and from and against any and all liens or claims therefor or against the demised premises or the building of which it forms a part, and from and against any and all liability, claim, loss, damage or expense, including reasonable attorneys' fees, in connection with any work performed by or

for Tenant. The demised premises and the building shall at all times be free of liens for labor and materials supplied or claimed to have been supplied to or on behalf of Tenant, and no financing statements or other security instruments shall be filed against the demised premises or the building or the contents thereof.

Tenant shall not directly or indirectly create or permit to be created any mortgage, lien, security interest, pledge, conditional sale, or other encumbrance on the demised premises or any part thereof, any equipment, fixtures or materials therein, Tenant's interest under this lease, or any rent hereunder. The foregoing shall not apply to liens for impositions not yet due, or liens of mechanics, materialmen, suppliers or vendors, incurred in the ordinary course of business for sums which are not yet due, provided that adequate provision for the payment thereof shall have been made and the following paragraph is complied with.

If, in connection with any work being performed by or for Tenant or any subtenant, or in connection with any materials being furnished to Tenant or any subtenant, any mechanic's lien or other lien or charge shall be filed or made against the demised premises or any part thereof, or if any such lien or charge shall be filed or made against Landlord as owner, then Tenant, at Tenant's expense, within thirty (30) days after notice that such lien or charge shall have been filed or made, shall cause the same to be canceled and discharged of record by payment thereof or filing a bond or otherwise. Tenant promptly and diligently shall defend any suit, action or proceeding which may be brought for the enforcement of such lien or charge; shall satisfy and discharge any judgment entered therein within thirty (30) days after the entry of such judgment by payment thereof or filing a bond or otherwise; and on demand shall pay any and all liability, claim, loss, damage or expense, including reasonable attorneys' fees, suffered or incurred by Landlord in connection therewith.

Nothing in this lease shall constitute any consent or request by Landlord, express or implied, for the performance of any labor or services or the furnishing of any materials or other property in respect of the demised premises or any part thereof, nor as giving Tenant any right, power or authority to contract for or permit the performance of any labor or services or the furnishing of any materials or other property in any fashion that would permit the filing or making of any lien or claim against Landlord, the demised premises or the building.

40. Use of Demised Premises

Tenant covenants that Tenant shall use and occupy the demised premises solely as general offices for the conduct of Tenant's business, namely sales office and warehouse/showroom for entertainment event planning services and products, and for no other purpose unless approved in writing by Landlord.

41. Cleaning

Tenant agrees to use only a licensed contractor or contractors approved by the Landlord, which approval shall not be unreasonably withheld, to provide cleaning services in the

demised premises for any cleaning and other maintenance work in therein. Tenant shall not employ any other cleaning or maintenance contractor, or any other individual or organization for such purposes, without the prior written consent of Landlord, which consent shall not be unreasonably withheld. Additionally, Tenant shall be responsible for its own waste disposal. Tenant shall arrange with a licensed commercial waste disposal company approved by the Landlord, which approval shall not be unreasonably withheld, for the weekly collection of waste from a receptacle of appropriate size supplied by the commercial waste disposal company. Under no circumstances shall Tenant cause or allow to be caused, through its own acts or the acts of any employee, agent, licensee, subtenant or assignee, any form of pollution or any violation of the environmental laws promulgated by either the local municipality(s), the State of New York or the federal government.

42. Extermination

If the demised premises at any time is infested with insects or vermin, Tenant, at Tenant's expense, shall cause the demised premises to be exterminated from time to time to the reasonable satisfaction of Landlord, and shall employ exterminating companies approved by Landlord, which approval shall not be unreasonably withheld.

43. Utility Services

Tenant shall pay all charges for all public or private utility services, including heat, electric and water, provided to the demised premises exclusively, pursuant to the Tenant's separate metering, shall comply with all contracts relating to such services, and shall do all other things required for the maintenance and continuance of all such services. Tenant acknowledges that the water meter servicing the demised premises also services the sprinkler system for the landscaped area adjacent to the building. Tenant also acknowledges that it would be prohibitively expensive for Landlord to install a separate meter for the demised premises and, as a consequence thereof, Landlord shall pay, during the period between May and September of each year in which this Lease is in effect, all water charges exceeding the Tenant's average use of water during the period between October and April.

Tenant, at its sole cost and expense, shall make all arrangements with the public utility company serving the demised premises for obtaining and paying for electricity at the demised premises. Landlord shall not be liable or responsible for charges for electricity at the demised premises, or any loss, damage or expense which Tenant may sustain or incur if either the quantity or character of electric service is changed or is no longer available or suitable for Tenant's requirements. At all times during the term of this lease, Tenant shall comply with all rules and regulations of governmental authorities and the public utility applicable to service, equipment, wiring and changes in requirements.

Tenant shall pay to Landlord, as additional rent, on a monthly basis within fifteen (15) days after receipt of Landlord statement therefor, Tenant's proportional share of all charges assessed or imposed for Common Area Maintenance, which shall include maintenance of

existing landscaping, parking lot maintenance (exclusive of structural repairs and repaving), snow removal, and electrical charges for common area HVAC and outdoor lighting, in or on the demised premises, as shown on Landlord's statement, which shall be accompanied by copies of all invoices and bills relating to such maintenance charges.

Tenant shall cooperate fully with Landlord and shall abide by all rules, regulations, statutes and ordinances enacted either by the County of Nassau, the Town of Oyster Bay or the Village of Hicksville for the proper functioning and protection of the HVAC system. Tenant shall cause to be kept closed the doors, when not in use, and all windows in the demised premises, whenever the air conditioning system is in operation, and to lower and close the blinds when reasonably necessary because of the sun's position. Landlord, throughout the term of this lease, shall have free and unrestricted access to the air conditioning facilities in the demised premises provided that if such access shall require entry upon the demised premises, Landlord shall use commercially reasonable efforts to minimize any interference with Tenant's use and occupancy of the premises.

Landlord reserves the right to interrupt, suspend or cease any of the services referred to herein when necessary by reason of accident, or repairs, alteration or improvements which in Landlord's option are necessary or desirable, or difficulty or inability in securing supplies or labor, or strikes, or any other cause beyond the reasonable control of Landlord whether similar or dissimilar to those herein above mentioned. Tenant shall not be entitled to any diminution or abatement of rent or other compensation, and Tenant's obligations under this lease shall not be affected or reduced, by reason of any interruption, suspension or cessation of services. No interruption, suspension or cessation of services shall constitute a constructive or partial eviction. Notwithstanding anything to the contrary contained herein, in the event for any reason relating to such interruption, suspension or cessation of services Tenant shall be unable to use or have full access to the demised premises for two (2) consecutive days or for a total of five (5) days, whether or not consecutive, in any thirty (30) day period, Tenant shall be entitled to an abatement of fixed and additional rent for each day or part thereof after such two (2) day or five (5) day period, as applicable, that such services are interrupted, suspended or ceased.

44. Limited Liability

Tenant agrees that, notwithstanding any other provision of this lease, Landlord shall not be under any personal liability under this lease and, if Landlord defaults hereunder, Tenant shall look solely to the interest of Landlord or its successor in the demised premises for the satisfaction of any judgment or other judicial process requiring the payment of money by Landlord based upon any default hereunder, and no other assets of Landlord or any such successor shall be subject to levy, execution or other enforcement procedure for the satisfaction of any such judgment or process. Upon any conveyance or transfer of the building, the transferor shall be relieved from all liability hereunder.

Landlord shall not be held liable for any injury to or death of any person or persons, or injury or damage to property, from theft or accident, or from steam, gas, electricity,

water, rain which may seep into, issue or flow from the building, unless same shall be due to Landlord's gross negligence.

45. Indemnification by Tenant

Tenant shall indemnify and hold Landlord harmless from and against any and all liability, claim, loss, damage or expense, including reasonable attorneys' fees, by reason of any injury to or death of any person or persons, or injury or damage to property, or otherwise, arising from or in connection with the occupancy or use by Tenant of the demised premises or any work, installation or thing whatsoever done in, at or about the demised premises by Tenant or any contractors, agents, employees, customers, subtenants, licensees, guests or invitees of Tenant, or resulting from any default by Tenant in the payment or performance of Tenant's obligations under this lease or from any act, omission or negligence of Tenant or any contractors, agents, employees, customers, subtenants, licensees, guests or invitees of Tenant.

46. Insurance

Tenant, at all times during the term of this lease and at Tenant's expense, shall provide and keep in force with insurers approved by Landlord comprehensive public liability and property damage insurance protecting Landlord against any and all liability occasioned by negligence, occurrence, accident, disaster and other risks included under "extended coverage" policies, occurring in or about the demised premises or any part thereof, in amounts approved from time to time by Landlord, which amounts at the date hereof shall be, in the case of public liability, $2,000,000 per person and $3,000,000 per accident, and $500,000 in the case of property damage, and insurance against such other hazards and in such amounts as is customarily carried by tenants in similar office buildings, as Landlord reasonably may request. Tenant shall comply with such other requirements as Landlord from time to time reasonably may request for the protection by insurance of Landlord's interest.

All insurance maintained by Tenant pursuant to this Article 46 shall name Landlord and Tenant as insureds, shall provide that any loss shall be payable to Landlord notwithstanding any act or failure to act or negligence of Landlord, Tenant or any other person, shall provide that no cancellation, reduction in amount or material change in coverage thereof will be effective until at least ten days after receipt by Landlord of written notice thereof, and shall be satisfactory to Landlord, acting reasonably, in all other respects. Landlord and Tenant shall each procure an appropriate clause in, or endorsement to, all such insurance policies whereby the respective insurance company waives subrogation or consents to a waiver of right of recovery.

Upon the execution of this lease and thereafter not less than fifteen days prior to the expiration date of any policy delivered pursuant to this Article 46, Tenant shall deliver to Landlord the originals of all policies or renewal policies, as the case may be, required by this lease, bearing notations evidencing the payment of the premiums therefor. In lieu of any such policies, Tenant may deliver certificates of the insurer, in form and substance satisfactory to

Landlord, as to the issuance and effectiveness of such policies and the amounts of coverage afforded thereby, accompanied by copies of such policies. Such insurance may be provided through a blanket policy or policies in form and substance satisfactory to Landlord. Such blanket policies shall provide specific allocation to the demised premises of the coverage afforded thereby, and shall give to Landlord no less protection than that which would be afforded by separate policies.

If at any time Tenant shall neglect or fail to provide or maintain insurance or to deliver insurance policies in accordance with this Article 46, Landlord may, within five (5) days after written notice thereof to Tenant and Tenant's failure to cure the same, effect such insurance as agent for Tenant, by taking out policies in a company satisfactory to Landlord, and the amount of the premiums paid for such insurance shall be paid by Tenant to Landlord on demand. Landlord, in addition to Landlord's other rights, powers and remedies, shall be entitled to recover as damages for any breach of this Article 46 the uninsured amount of any liability, claim, loss, damage or expense, including reasonable attorneys' fees, suffered or incurred by Landlord, and shall not be limited in the proof of damages which Landlord may claim against Tenant to the amount of the insurance premiums not paid or incurred by Tenant which would have been payable for such insurance.

Additionally, Tenant, at all times during the term of this lease, shall pay Tenant's Proportional Share, as hereinbefore defined, of the insurance premium for the insurance coverage presently in place on the building. Landlord shall provide Tenant with proof of coverage each year and proof of payment of the premium therefor. Tenant shall pay its proportional share of the premium as additional rent within 10 days of presentment.

47. Estoppel Certificates

Tenant shall execute, acknowledge and deliver to Landlord, within a reasonable time after request, a certificate stating: (a) that this lease is unmodified and in full force and effect (or, if there have been modifications, that this lease is in full force and effect, as modified, and identifying the modifications); (b) the commencement and expiration dates of the term of this lease; (c) the dates through which fixed rent and additional rent have been paid; (d) whether or not there is any existing default by Landlord or Tenant with respect to which a notice of default has been delivered, and if there is any such default, specifying the nature and extent thereof; and (e) whether or not there are any setoffs, defenses or counterclaims against the enforcement of any of the agreements, terms, covenants or conditions of this lease to be paid, complied with or performed by Tenant. Any such certificate may be relied upon by Landlord and any mortgagee, purchaser or other person with whom Landlord may deal.

48. Security Deposit

Tenant has deposited with Landlord the sum of $29,600.00 as security for the full and faithful performance and observance by Tenant of the terms, covenants and conditions of this lease. If Tenant defaults beyond all applicable grace, notice and/or cure periods in the

performance or observance of any term, covenant or condition of this lease, including without limitation the obligation of Tenant to pay any rent or other sum required hereunder, Landlord may use, apply or retain the whole or any part of the security so deposited to the extent required for the payment of any rent or any other sum as to which Tenant is in default or for any sum which Landlord shall expend or shall be required to expend as a direct result of Tenant's default, including without limitation any damages or deficiency accrued before or after summary proceedings or other re-entry by Landlord. If Tenant shall fully and faithfully observe and perform all of the terms, covenants and conditions of this lease, the security, without interest, shall be returned to Tenant after the end of the term of this lease and the delivery of possession of the demised premises to Landlord.

In the event of a sale, transfer or leasing of the demised premises by Landlord, Landlord shall transfer the security to the vendee, transferee or lessee, whereupon Landlord shall be deemed released by Tenant from all liability for the return of said security. Tenant agrees to look solely to such new owner or landlord for the return of said security. This paragraph shall apply to every transfer or assignment of the security to a new owner or landlord. Tenant shall not assign or encumber the security, and Landlord shall not be bound by any such assignment and encumbrance.

If Landlord applies or retains all or any portion of the security, Tenant on demand shall pay to Landlord the amount so applied or retained so that the security shall be replenished to its former amount and at all times shall be $29,600.00.

49. Assignment and Subletting

Tenant expressly covenants that Tenant shall not voluntarily or involuntarily assign, encumber, mortgage or otherwise transfer this lease, or sublet the demised premises or any part thereof, or suffer or permit the demised premises or any part thereof to be used or occupied by others, by operation of law or otherwise, without the prior written consent of Landlord in each instance. Absent such consent, any act or instrument purporting to do any of the foregoing shall be null and void.

The transfer of a majority of the capital stock of any corporate tenant, or of a majority of the total interests in any partnership tenant, however accomplished and whether in a single transaction or a series of transactions, shall be deemed an assignment of this lease, except that a transfer of stock for purposes hereof shall not include sales of stock by persons through the "over-the-counter market" or a recognized stock exchange other than sales by "insiders" within the meaning of the Securities Exchange Act of 1934 as amended. Notwithstanding the foregoing, Tenant may, without the necessity of obtaining Landlord's consent, assign this lease to a corporation into which or with which Tenant is merged or consolidated or to an entity to which substantially all of the assets of Tenant are transferred, or, if Tenant is a partnership, to a successor partnership, and Tenant may sublet the demised premises to subsidiaries or affiliates of Tenant for so long as any such subsidiary or affiliate shall retain the status of a subsidiary or affiliate of Tenant. For purposes hereof, a "subsidiary" or "affiliate" shall mean a corporation of

which at least fifty-one percent of the common stock is owned by Tenant or a partnership of which at least fifty-one percent of the equity is owned by Tenant.

If Tenant desires to assign this lease or sublet all or any portion of the demised premises, Tenant shall submit to Landlord in writing: the name and address of the proposed assignee or subtenant; a counterpart of the proposed agreement of assignment or sublease and all other instruments or agreements pertaining thereto; such information as to the nature and character of the business of the proposed assignee or subtenant, and the proposed use of the space, as Landlord reasonably may request; banking, financial or other credit information relating to the proposed assignee or subtenant sufficient to enable Landlord to determine the financial responsibility and character of the proposed assignee or subtenant; and a statement of all sums or other consideration paid or to be paid to or by Tenant by or for the account of the assignee or subtenant in connection with such assignment or sublease, including without limitation sums paid or to be paid for the sale or rental of Tenant's fixtures, leasehold improvements, equipment, furniture, furnishings or other personal property. Tenant shall pay all of Landlord's costs and expenses, including reasonable attorneys' fees, incurred in connection with the review, preparation and execution of any documents pertaining to any proposed assignment or sublease.

No such assignment or transfer, irrespective of any consent by Landlord, shall be effective unless the assignee shall execute, acknowledge and deliver to Landlord a recordable agreement, in form and substance satisfactory to Landlord, whereby the assignee shall assume the obligations and performance of this lease and shall agree to be bound by all of the terms, covenants and conditions of this lease, including restrictions on use, to be observed, performed or complied with by Tenant, and whereby the assignee shall agree that the provisions of this Article 49 shall continue to be binding upon it in the future notwithstanding such assignment or transfer. No sublease shall be effective, irrespective of any consent of Landlord, unless the subtenant shall execute and deliver to Landlord a recordable agreement, in form and substance reasonably satisfactory to Landlord, whereby the subtenant agrees to comply with all applicable terms, covenants and conditions of this lease, including restrictions on use, to be complied with by Tenant hereunder.

In no event shall Tenant be entitled to assign this lease or to sublet all or any portion of the demised premises to: any tenant or occupant of any other space in the building, or to any affiliate (within the meaning of Rule 144 adopted pursuant to the Securities Act of 1933) of any tenant or occupant of other space in the building; any person or entity who has dealt with Landlord or Landlord's agents, directly or through a broker, with respect to space in the building during the twelve months preceding the assignment or subletting; any person or entity whose business or activities or intended use of the demised premises is not in keeping with the standards of the building or of the floor or floors upon which the demised premises is located; any person or entity entitled directly or indirectly to diplomatic or sovereign immunity; a governmental or quasi-governmental organization, authority or agency; or a not-for-profit corporation or nonprofit organization. In no event shall Tenant be entitled to assign this lease or sublet the demised premises or any part thereof if there shall be any default by Tenant, beyond any applicable grace, notice and/or cure period, under any material term, covenant or condition of this lease.

The Landlord's consent to an assignment, encumbering, transfer or subletting shall not be deemed or construed as a consent to any further assignment, encumbering, transfer or subletting, or a waiver of this provision of this Article 49. A modification, amendment or extension of a sublease shall be deemed a new subletting for purposes of the prohibitions contained in this Article 49. Any person or representative of Tenant to whom Tenant's interest under this lease passes by operation of law, or otherwise, shall be bound by the provisions of this Article 49.

Except for any assignment permitted without Landlord's consent pursuant to paragraph 2 of this Article 49, no assignment of this lease or acceptance of rent by Landlord from any assignee or other party shall discharge or release Tenant or any person, firm or corporation which previously assumed Tenant's obligations hereunder, and Tenant and such persons, firms and corporations shall remain liable for the payment of rent due and to become due under this lease and for the performance and observance of all of the terms, covenants and conditions of this lease on the part of Tenant to be observed or performed for the balance of the term of this lease as if no assignment has been effected. If this lease is assigned, whether or not in violation of this Article 49, Landlord may collect rent from the assignee. If the demised premises or any part thereof are sublet or occupied by anybody other than Tenant, Landlord, after any default by Tenant, may collect rent from the subtenant or occupant, and apply the net amount collected to the rent due hereunder. Such collection of rent by Landlord shall not be deemed or construed as a waiver of the provisions hereof, the acceptance of the assignee, subtenant or occupant as a tenant, or a release of Tenant from the further performance and observance by Tenant of the terms, covenants and conditions of this lease.

50. Option to Extend Term

Tenant shall have the option to extend the term of this lease for an additional five years with 3% escalations, in each of the five years, subject to all of the terms, covenants and conditions of this lease.

To be effective, Tenant must give Landlord written notice of Tenant's election to extend the term of this lease not less than ninety (90) days prior to the expiration of the then existing term of this lease. Tenant's right to extend the term of this lease pursuant to this Article 50 shall be conditioned upon there being no continuing default by Tenant in the performance or observance of any of the terms, covenants and conditions of this lease either at the time of the exercise of the option or on the expiration of the then existing term of this lease.

51. Brokerage

Tenant represents and warrants that Tenant has not dealt with any broker in connection with this lease or the negotiation or execution thereof, other than **United Realty** and **Sutton & Edwards** whose commission Landlord agrees to pay pursuant to a separate agreement. Tenant agrees to indemnify and hold Landlord harmless from and against any claims, damage, liability or expense, including attorneys' fees, pertaining to any other broker with whom Tenant

has dealt. Landlord shall not have any liability for any brokerage commission arising out of any subletting or assignment of this lease by Tenant, and Tenant shall indemnify and hold Landlord harmless from and against any claims, damage, liability or expense, including attorneys' fees, pertaining to brokerage commissions in connection with any such subletting or assignment.

52. Notices

All notices required or permitted to be given hereunder shall be sent by Federal Express or other recognized overnight courier or by registered or certified mail, return receipt requested, with postage prepaid, addressed to Landlord or Tenant at the address herein above stated, or to Tenant at the demised premises, or to such other address as either party hereafter may designate by notice hereunder and, in the case of Tenant, with a copy in like manner to: Adam Leitman Bailey, P.C., 120 Broadway, 17th Floor, New York, NY 10271; Attention: Guy Arad, Esq.

53. Miscellaneous

Tenant shall reimburse Landlord for all reasonable attorneys' fees incurred in connection with actions to compel compliance by Tenant with any provision of this lease or to recover damages resulting from non-compliance. Such amounts shall be deemed additional rent and shall be paid on demand.

Neither this lease nor any memorandum thereof shall be recorded, without the prior written consent of Landlord.

The failure of Landlord to insist upon a strict performance of any term, covenant or condition herein shall not be deemed a waiver of any rights or remedies that Landlord may have or a waiver of any subsequent breach or default.

If any provision of this lease shall be unenforceable or invalid, such unenforceability or invalidity shall not affect any other provision of this lease.

The submission of this lease to Tenant shall not be construed as an offer or option, and Tenant shall not have any rights hereunder unless and until Landlord shall execute a copy of this lease and deliver the same to Tenant.

Installation of any exterior signs on the premises shall be subject to the prior written approval of the Landlord as to design, size and location, which approval shall not be unreasonably withheld. Installation must comply with all rules and regulations of departments and bureaus having jurisdiction thereover, and provided that Tenant shall pay all necessary fees, permits and licenses. Tenant agrees to remove any installed signs at the expiration of the term hereof and repair any damage to the building caused by such removal.

Notwithstanding the foregoing, any violations and fines resulting from Tenant's failure to comply with the aforesaid rules and regulations shall be the responsibility of Tenant to cure and/or pay. In the event Tenant fails to make said payments when due, Landlord may independently cure any violations and pay fines, the cost of which shall be deemed additional rent due and said amount shall be due thirty (30) days after payment is made by Landlord.

* * * * *

[The remainder of this page is left intentionally blank.]

IN WITNESS WHEREOF, Landlord and Tenant have executed this lease as of the date first above written.

LANDLORD:

200 FRANK ROAD, LLC

By: _____
Name:
Title: Member

TENANT:

H.D. BARMAR, LTD.

By _____
Name:
Title: President

Acknowledgment for 200 FRANK ROAD, LLC:

STATE OF NEW YORK, COUNTY OF NASSAU, ss.

On the day of , 2009, before me, the undersigned notary public, personally appeared , personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public
My commission expires on

Acknowledgment for H.D. BARMAR, LTD.:

STATE OF NEW YORK, COUNTY OF NASSAU, ss.

On the 3rd day of MARCH, 2009, before me, the undersigned notary public, personally appeared HANK LANE, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity, and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

ROSEMARIE KARAMPELAS
Notary Public, State of New York
No. 01KA6166973
Qualified in Suffolk County
Commission Expires May 29, 2011

Rosemarie Karampelas
Notary Public
My commission expires on

EXHIBIT A

DEMISED PREMISES

(See Floor Plan Attached)

EXHIBIT B

LANDLORD'S WORK

Landlord, at Landlord's sole cost and expense, shall perform the following work ("Landlord's Work"):

(a) Deliver separate meters for heat, electric & water
(b) Deliver new carpeting in areas currently carpeted
(c) Deliver new VCT tiles in areas which currently have VCT
(d) Remove existing wallpaper and paint all walls in office areas. Tenant to choose colors from Landlord's samples
(e) Repair /re-grout existing tile floor in lobby
(f) Replace any damaged ceiling tiles
(g) Relocate one (1) door as per plan
(h) Enlarge cafeteria by +/- 5' as per plan
(i) Remove office to create more warehouse space as per an agreed upon plan between the Landlord and Tenant (see attached)
(j) Create two (2) openings to the loading platform and install two (2) drive-in doors (see plan)
(k) Deliver all existing building systems in working order
(l) Deliver premises in broom clean condition

GUARANTY

GUARANTEE, given as of April 1, 2009, by Hank Lane, having an address at _____, _____, ___ _____ (Guarantor"), to 200 Frank Road, LLC, a domestic limited liability company, having an address at 200 Frank Road, Hicksville, New York 11801 ("Landlord").

WITNESSETH:

WHEREAS, concurrently herewith the Landlord is entering into a certain Lease (the "Lease") to H.D. BARMAR, LTD., a New York corporation, having an address at 65 West 55th Street, #302, New York, New York 10019 (Tenant"), of premises known as the front of the building consisting of 15,000 sq. ft +/-, as shown on Exhibit "A" at 200 Frank Road, in Town of Oyster Bay, Village of Hicksville; and

WHEREAS, in order to induce the Landlord enter into said Lease, the Guarantor has agreed to give the Guaranty of the obligations of Tenant under said Lease.

NOW THEREFORE, in consideration of Ten Dollars, and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. The Guarantor does hereby unconditionally guaranty to the Landlord the due and punctual payment, performance and compliance with of all of the terms, covenants and conditions to be paid, performed or complied with by Tenant under the Lease and all extensions or renewals thereof, including reasonable attorneys' fees (collectively referred to herein as the "Obligations") up to and including the date (the "Surrender Date") that Tenant delivers and surrenders possession of the demised premises with keys therefor to Landlord, or Landlord's agent.

2. This Guaranty is irrevocable, continuing, indivisible and unconditional and, except as otherwise provided herein, may be proceeded upon immediately after failure by the Tenant to pay, perform or comply with any of the Obligations, without any prior action or proceeding against the Tenant. The Guarantor hereby consents to and waives notice of the following, none of which shall affect, change or discharge the liability of the Guarantor hereunder: (a) any change in the terms of any agreement between the Tenant and the Landlord; and (b) the acceptance, alteration, release or substitution by the Landlord of any security for the Obligations, whether provided by the Guarantor or any other person.

3. The Guarantor hereby expressly waives the following: (a) acceptance and notice of acceptance of the Guaranty by Landlord; (b) notice of extension of time of the payment, performance and compliance with, or the renewal or alteration of the terms and conditions of, any Obligations; (c) notice of any demand for payment, notice of default or nonpayment as to any Obligations; (d) all other notices to which the Guarantor might otherwise be entitled in connection with the Guaranty or the Obligations of the Tenant hereby guarantied;

and (e) trial by jury and the right thereto in any action or proceeding of any kind or nature, arising on, under or by reason of, or relating in any way to, the Guaranty or the Obligations.

4. The Guarantor has not and will not set up or claim any defense, counterclaim, set-off or other objection of any kind (except for payment) to the suit, action or proceeding at law, in equity, or otherwise, or to any demand or claim that may be instituted or made under and by virtue of the Guaranty. All remedies of the Landlord by reason of or under the Guaranty are separate and cumulative remedies, and it is agreed that no one of such remedies shall be deemed in exclusion of any other remedies available to the Landlord.

5. The Guarantor represents and warrants that the Guarantor has full power and authority to execute, deliver and perform this Guaranty, and that neither the execution, delivery nor performance of the Guaranty will violate any law or regulation, or any order or decree of any court or governmental authority, or will conflict with, or result in the breach of, or constitute a default under, any agreement or other instrument to which the Guarantor is a party or by which Guarantor may be bound, or will result in the creation or imposition of any lien, claim or encumbrance upon any property of Guarantor.

6. This Guaranty may not be changed or terminated orally. No modification or waiver of any provision of the Guaranty shall be effective unless such modification or waiver shall be in writing and signed by the Landlord, and the same shall then be effective only for the period and on the conditions and for the specific instances and purposes specified in such writing. No course of dealing between the Guarantor and the Landlord in exercising any rights or remedies hereunder shall operate as a waiver or preclude the exercise of any other rights or remedies hereunder.

7. This Guaranty shall be construed in accordance with, and governed by, the laws of the State of New York. No invalidity, irregularity, illegality or unenforceability of any Obligation shall affect, impair or be a defense to the enforceability of the Guaranty. Notwithstanding the invalidity, irregularity, illegality or unenforceability of any Obligation of the Tenant to the Landlord, the Guaranty shall remain in full force and effect and shall be binding in accordance with its terms upon the Guarantor and the heirs, executors, administrators, legal representative, successors and assigns of the Guarantor.

8. This Guaranty shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors and assigns.

IN WITNESS WHEREOF, the Guarantor has given and executed the Guaranty as of the date first above written.

In the presence of:

Hank Lane

STATE OF New York , COUNTY OF Nassau , ss.

On the 3rd day of March , 2009, before me, the undersigned notary public, personally appeared Hank Lane, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Rosemarie Karampelas
Notary Public
My commission expires on

ROSEMARIE KARAMPELAS
Notary Public, State of New York
No. 01KA6166973
Qualified in Suffolk County
Commission Expires May 29, 2011

STANDARD FORM OF OFFICE LEASE
The Real Estate Board of New York, Inc.

– 3/1/86

Agreement of Lease, made as of this 13 day of February 19 2002, between 200 FRANK ROAD LLC with offices located at 100 Frank Road, Hicksville, New York 11801

party of the first part, hereinafter referred to as OWNER, and

ADVANCED MULTIMEDIA DEVICES, INC., AMDI, 31 Watermill Lane, Great Neck New York 11020

party of the second part, hereinafter referred to as TENANT,

Witnesseth: Owner hereby leases to Tenant and Tenant hereby hires from Owner approximately thirteen thousand (13,000) rentable square feet as shown on Exhibit "A" annexed hereto.

in the building known as 200 Frank Road, Hicksville, New York in the Borough of , City of New York, for the term of seven (7) years

(or until such term shall sooner cease and expire as hereinafter provided) to commence on the 1st day of April, 2002 and to end on the 31st day of March, 2009 both dates inclusive, at such rent for the initial term and renewal term, if any, as set forth on Rent Schedule "A" annexed hereto and any additional rent and increases as set forth hereafter.

which Tenant agrees to pay in lawful money of the United States which shall be legal tender in payment of all debts and dues, public and private, at the time of payment, in equal monthly installments in advance on the first day of each month during said term, at the office of Owner or such other place as Owner may designate, without any set off or deduction whatsoever, except that Tenant shall pay the first monthly installment(s) on the execution hereof (unless this lease be a renewal).

In the event that, at the commencement of the term of this lease, or thereafter, Tenant shall be in default in the payment of rent to Owner pursuant to the terms of another lease with Owner or with Owner's predecessor in interest, Owner may at Owner's option and without notice to Tenant add the amount of such arrears to any monthly installment of rent payable hereunder and the same shall be payable to Owner as additional rent.

The parties hereto, for themselves, their heirs, distributees, executors, administrators, legal representatives, successors and assigns, hereby convenant as follows:

Rent 1. Tenant shall pay the rent as above and as hereinafter provided.

Occupancy 2. Tenant shall use and occupy demised premises for office space and warehouse And the assembly of electronic goods. and for no other purpose.

Tenant Alterations: 3. Tenant shall make no changes in or to the demised premises of any nature without Owner's prior written consent. Subject to the prior written consent of Owner, and to the provisions of this article, Tenant at Tenant's expense, may make alterations, installations, additions or improvements which are non-structural and which do not affect utility services or plumbing and electrical lines, in or to the interior of the demised premises by using contractors or mechanics first approved by Owner. Tenant shall, before making any alterations, additions, installations or improvements, at its expense, obtain all permits, approvals and certificates required by any governmental or quasi governmental bodies and (upon completion) certificates of final approval thereof and shall deliver promptly duplicates of all such permits, approvals and certificates to Owner and Tenant agrees to carry and will cause Tenant's contractors and sub contractors to carry such workman's compensation, general liability, personal and property damage insurance as Owner may require. If any mechanic's lien is filed against the demised premises, or the building of which the same forms a part, for work claimed to have been done for, or materials furnished to, Tenant, whether or not done pursuant to this article, the same shall be discharged by Tenant within thirty days thereafter, at Tenant's expense, by filing the bond required by law. All fixtures and all paneling, partitions, railings and like installations, installed in the premises at any time, either by Tenant or by Owner in Tenant's behalf, shall, upon installation, become the property of Owner and shall remain upon and be surrendered with the demised premises unless Owner, by notice to Tenant no later than twenty days prior to the date fixed as the termination of this lease, elects to relinquish Owner's right thereto and to have them removed by Tenant, in which event the same shall be removed from the premises by Tenant prior to the expiration of the lease, at Tenant's expense. Nothing in this Article shall be construed to give Owner title to or to prevent Tenant's removal of trade fixtures, moveable office furniture and equipment, but upon removal of any such from the premises or upon removal of other installations as may be required by Owner, Tenant shall immediately and at its expense, repair and restore the premises to the condition existing prior to installation and repair any damage to the demised premises or the building due to such removal. All property permitted or required to be removed, by Tenant at the end of the term remaining in the premises after Tenant's removal shall be deemed abandoned and may, at the election of Owner, either be retained as Owner's property or may be removed from the premises by Owner, at Tenant's expense.

Maintenance and Repairs 4. Tenant shall, throughout the term of this lease, take good care of the demised premises and the fixtures and appurtenances therein. Tenant shall be responsible for all damage or injury to the demised premises or any other part of the building and the systems and equipment thereof, whether requiring structural or nonstructural repairs caused by or resulting from carelessness, omission, neglect or improper conduct of Tenant, Tenant's subtenants, agents, employees, invitees or licensees, or which arise out of any work, labor, service or equipment done for or supplied to Tenant or any subtenant or arising out of the installation, use or operation of the property or equipment of Tenant or any subtenant. Tenant shall also repair all damage to the building and the demised premises caused by the moving of Tenant's fixtures, furniture and equipment. Tenant shall promptly make, at Tenant's expense, all repairs in and to the demised premises for which Tenant is responsible, using only the contractor for the trade or trades in question, selected from a list of at least two contractors per trade submitted by Owner. Any other repairs in or to the building or the facilities and systems thereof for which Tenant is responsible shall be performed by Owner at the Tenant's expense. Owner shall maintain in good working order and repair the exterior and the structural portions of the building, including the structural portions of its demised premises, and the public portions of the building interior and the building plumbing, electrical, heating and ventilating systems (to the extent such systems presently exist) serving the demised premises. Tenant agrees to give prompt notice of any defective condition in the premises for which Owner may be responsible hereunder. There shall be an allowance to Tenant for diminution of rental value and no liability on the part of Owner by reason of inconvenience, annoyance or injury to business arising from Owner or others making repairs, alterations, additions or improvements in or to any portion of the building or the demised premises or in and to the fixtures, appurtenances or equipment thereof. It is specifically agreed that Tenant shall not be entitled to any setoff or reduction of rent by reason of any failure of Owner to comply with the covenants of this or any other article of this Lease. Tenant agrees that Tenant's sole remedy at law in such instance will be by way of an action for damages for breach of contract. The provisions of this Article 4 shall not apply in the case of fire or other casualty which are dealt with in Article 9 hereof.

Window Cleaning: 5. Tenant will not clean nor require, permit, suffer or allow any window in the demised premises to be cleaned from the outside in violation of Section 202 of the Labor Law or any other applicable law or of the Rules of the Board of Standards and Appeals, or of any other Board or body having or asserting jurisdiction.

Requirements of Law, Fire Insurance, Floor Loads: 6. Prior to the commencement of the lease term, if Tenant is then in possession, and at all times thereafter, Tenant, at Tenant's sole cost and expense, shall promptly comply with all present and future laws, orders and regulations of all state, federal, municipal and local governments, departments, commissions and boards and any direction of any public officer pursuant to law, and all orders, rules and regulations of the New York Board of Fire Underwriters, Insurance Services Office, or any similar body which shall impose any violation, order or duty upon Owner or Tenant with respect to the demised premises, whether or not arising out of Tenant's use or manner of use thereof, (including Tenant's permitted use) or, with respect to the building if arising out of Tenant's

The Tenant represents that it is the sole owner of another business under the name of Empowering Resources, Inc. ("ERI") which will conduct business from the demised premises with the permission of the Landlord. Tenant represents that as the sole shareholder of ERI, that ERI will comply with the provisions of this Lease.

use or manner of use of the premises or the building (including the use permitted under the lease). Nothing herein shall require Tenant to make structural repairs or alterations unless Tenant has, by its manner of use of the demised premises or method of operation therein, violated any such laws, ordinances, orders, rules, regulations or requirements with respect thereto. Tenant may, after securing Owner to Owner's satisfaction against all damages, interest, penalties and expenses, including, but not limited to, reasonable attorney's fees, by cash deposit or by surety bond in an amount and in a company satisfactory to Owner, contest and appeal any such laws, ordinances, orders, rules, regulations or requirements provided same is done with all reasonable promptness and provided such appeal shall not subject Owner to prosecution for a criminal offense or constitute a default under any lease or mortgage under which Owner may be obligated, or cause the demised premises or any part thereof to be condemned or vacated. Tenant shall not do or permit any act or thing to be done in or to the demised premises which is contrary to law, or which will invalidate or be in conflict with public liability, fire or other policies of insurance at any time carried by or for the benefit of Owner with respect to the demised premises or the building of which the demised premises form a part, or which shall or might subject Owner to any liability or responsibility to any person or for property damage. Tenant shall not keep anything in the demised premises except as now or hereafter permitted by the Fire Department, Board of Fire Underwriters, Fire Insurance Rating Organization or other authority having jurisdiction, and then only in such manner and such quantity so as not to increase the rate for fire insurance applicable to the building, nor use the premises in a manner which will increase the insurance rate for the building or any property located therein over that in effect prior to the commencement of Tenant's occupancy. Tenant shall pay all costs, expenses, fines, penalties, or damages, which may be imposed upon Owner by reason of Tenant's failure to comply with the provisions of this article and if by reason of such failure the fire insurance rate shall, at the beginning of this lease or at any time thereafter, be higher than it otherwise would be, then Tenant shall reimburse Owner, as additional rent hereunder, for that portion of all fire insurance premiums thereafter paid by Owner which shall have been charged because of such failure by Tenant. In any action or proceeding wherein Owner and Tenant are parties, a schedule or "make-up" of rate for the building or demised premises issued by the New York Fire Insurance Exchange, or other body making fire insurance rates applicable to said premises shall be conclusive evidence of the facts therein stated and of the several items and charges in the fire insurance rates then applicable to said premises. Tenant shall not place a load upon any floor of the demised premises exceeding the floor load per square foot area which it was designed to carry and which is allowed by law. Owner reserves the right to prescribe the weight and position of all safes, business machines and mechanical equipment. Such installations shall be placed and maintained by Tenant, at Tenant's expense, in settings sufficient, in Owner's judgement, to absorb and prevent vibration, noise and annoyance.

Subordination: 7. This lease is subject and subordinate to all ground or underlying leases and to all mortgages which may now or hereafter affect such leases or the real property of which demised premises are a part and to all renewals, modifications, consolidations, replacements and extensions of any such underlying leases and mortgages. This clause shall be self-operative and no further instrument of subordination shall be required by any ground or underlying lessor or by any mortgagee, affecting any lease or the real property of which the demised premises are a part. In confirmation of such subordination, Tenant shall execute promptly any certificate that Owner may request.

Property—Loss, Damage, Reimbursement, Indemnity: 8. Owner or its agents shall not be liable for any damage to property of Tenant or of others entrusted to employees of the building, nor for loss of or damage to any property of Tenant by theft or otherwise, nor for any injury or damage to persons or property resulting from any cause of whatsoever nature, unless caused by or due to the negligence of Owner, its agents, servants or employees. Owner or its agents will not be liable for any such damage caused by other tenants or persons in, upon or about said building or caused by operations in construction of any private, public or quasi public work.
If at any time any windows of the demised premises are temporarily closed, darkened or bricked up (or permanently closed, darkened or bricked up, if required by law) for any reason whatsoever including, but not limited to Owner's own acts, Owner shall not be liable for any damage Tenant may sustain thereby and Tenant shall not be entitled to any compensation therefor nor abatement or diminution of rent nor shall the same release Tenant from its obligations hereunder nor constitute an eviction. Tenant shall indemnify and save harmless Owner against and from all liabilities, obligations, damages, penalties, claims, costs and expenses for which Owner shall not be reimbursed by insurance, including reasonable attorneys fees, paid, suffered or incurred as a result of any breach by Tenant, Tenant's agents, contractors, employees, invitees, or licensees, of any covenant or condition of this lease, or the carelessness, negligence or improper conduct of the Tenant, Tenant's agents, contractors, employees, invitees or licensees. Tenant's liability under this lease extends to the acts and omissions of any sub-tenant, and any agent, contractor, employee, invitee or licensee of any sub-tenant. In case any action or proceeding is brought against Owner by reason of any such claim, Tenant, upon written notice from Owner, will, at Tenant's expense, resist or defend such action or proceeding by counsel approved by Owner in writing, such approval not to be unreasonably withheld.

Destruction, Fire and Other Casualty: 9. (a) If the demised premises or any part thereof shall be damaged by fire or other casualty, Tenant shall give immediate notice thereof to Owner and this lease shall continue in full force and effect except as hereinafter set forth. (b) If the demised premises are partially damaged or rendered partially unusable by fire or other casualty, the damages thereto shall be repaired by and at the expense of Owner and the rent, until such repair shall be substantially completed, shall be apportioned from the day following the casualty according to the part of the premises which is usable. (c) If the demised premises are totally damaged or rendered wholly unusable by fire or other casualty, then the rent shall be proportionately paid up to the time of the casualty and thenceforth shall cease until the date when the premises shall have been repaired and restored by Owner, subject to Owner's right to elect not to restore the same as hereinafter provided. (d) If the demised premises are rendered wholly unusable or (whether or not the demised premises are damaged in whole or in part) if the building shall be so damaged that Owner shall decide to demolish it or to rebuild it, then, in any of such events, Owner may elect to terminate this lease by written notice to Tenant, given within 90 days after such fire or casualty, specifying a date for the expiration of the lease, which date shall not be more than 60 days after the giving of such notice, and upon the date specified in such notice the term of this lease shall expire as fully and completely as if such date were the date set forth above for the termination of this lease and Tenant shall forthwith quit, surrender and vacate the premises without prejudice however, to Landlord's rights and remedies against Tenant under the lease provisions in effect prior to such termination, and any rent owing shall be paid up to such date and any payments of rent made by Tenant which were on account of any period subsequent to such date shall be returned to Tenant. Unless Owner shall serve a termination notice as provided for herein, Owner shall make the repairs and restorations under the conditions of (b) and (c) hereof, with all reasonable expedition, subject to delays due to adjustment of insurance claims, labor troubles and causes beyond Owner's control. After any such casualty, Tenant shall cooperate with Owner's restoration by removing from the premises as promptly as reasonably possible, all of Tenant's salvageable inventory and movable equipment, furniture, and other property. Tenant's liability for rent shall resume five (5) days after written notice from Owner that the premises are substantially ready for Tenant's occupancy. (e) Nothing contained hereinabove shall relieve Tenant from liability that may exist as a result of damage from fire or other casualty. Notwithstanding the foregoing, each party shall look first to any insurance in its favor before making any claim against the other party for recovery for loss or damage resulting from fire or other casualty, and to the extent that such insurance is in force and collectible and to the extent permitted by law, Owner and Tenant each hereby releases and waives all right of recovery against the other or any one claiming through or under each of them by way of subrogation or otherwise. The foregoing release and waiver shall be in force only if both releasors' insurance policies contain a clause providing that such a release or waiver shall not invalidate the insurance. If, and to the extent, that such waiver can be obtained only by the payment of additional premiums, then the party benefiting from the waiver shall pay such premium within ten days after written demand or shall be deemed to have agreed that the party obtaining insurance coverage shall be free of any further obligation under the provisions hereof with respect to waiver of subrogation. Tenant acknowledges that Owner will not carry insurance on Tenant's furniture and/or furnishings or any fixtures or equipment, improvements, or appurtenances removable by Tenant and agrees that Owner will not be obligated to repair any damage thereto or replace the same. (f) Tenant hereby waives the provisions of Section 227 of the Real Property Law and agrees that the provisions of this article shall govern and control in lieu thereof.

Eminent Domain: 10. If the whole or any part of the demised premises shall be acquired or condemned by Eminent Domain for any public or quasi public use or purpose, then and in that event, the term of this lease shall cease and terminate from the date of title vesting in such proceeding and Tenant shall have no claim for the value of any unexpired term of said lease and assigns to Owner, Tenant's entire interest in any such award.

Assignment, Mortgage, Etc.: 11. Tenant, for itself, its heirs, distributees, executors, administrators, legal representatives, successors and assigns, expressly covenants that it shall not assign, mortgage or encumber this agreement, nor underlet, or suffer or permit the demised premises or any part thereof to be used by others, without the prior written consent of Owner in each instance. Transfer of the majority of the stock of a corporate Tenant shall be deemed an assignment. If this lease be assigned, or if the demised premises or any part thereof be underlet or occupied by anybody other than Tenant, Owner may, after default by Tenant, collect rent from the assignee, under-tenant or occupant, and apply the net amount collected to the rent herein reserved, but no such assignment, underletting, occupancy or collection shall be deemed a waiver of this covenant, or the acceptance of the assignee, under-tenant or occupant as tenant, or a release of Tenant from the further performance by Tenant of covenants on the part of Tenant herein contained. The consent by Owner to an assignment or underletting shall not in any wise be construed to relieve Tenant from obtaining the express consent in writing of Owner to any further assignment or underletting.

Electric Current: ☞ 12. Rates and conditions in respect to submetering or rent inclusion, as the case may be, to be added in RIDER attached hereto. Tenant covenants and agrees that at all times its use of electric current shall not exceed the capacity of existing feeders to the building or the risers or wiring installation and Tenant may not use any electrical equipment which, in Owner's opinion, reasonably exercised, will overload such installations or interfere with the use thereof by other tenants of the building. The change at any time of the character of electric service shall in no wise make Owner liable or responsible to Tenant, for any loss, damages or expenses which Tenant may sustain.

Access to Premises: 13. Owner or Owner's agents shall have the right (but shall not be obligated) to enter the demised premises in any emergency at any time, and, at other reasonable times, to examine the same and to make such repairs, replacements and improvements as Owner may deem necessary and reasonably desirable to the demised premises or to any other portion of the building or which Owner may elect to perform. Tenant shall permit Owner to use and maintain and replace pipes and conduits in and through the demised premises and to erect new pipes and conduits therein provided they are concealed within the walls, floor, or ceiling. Owner may, during the progress of any work in the demised premises, take all necessary materials and equipment into said premises without the same constituting an eviction nor shall the Tenant be entitled to any abatement of rent while such work is in progress nor to any damages by reason of loss or interruption of business or otherwise. Throughout the term hereof Owner shall have the right to enter the demised premises at reasonable hours for the purpose of showing the

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☞ Rider to be added if necessary.

same to prospective purchasers or mortgagees of the building, and during the last six months of the term for the purpose of showing the same to prospective tenants. If Tenant is not present to open and permit an entry into the premises, Owner or Owner's agents may enter the same whenever such entry may be necessary or permissible by master key or forcibly and provided reasonable care is exercised to safeguard Tenant's property, such entry shall not render Owner or its agents liable therefor, nor in any event shall the obligations of Tenant hereunder be affected. If during the last month of the term Tenant shall have removed all or substantially all of Tenant's property therefrom, Owner may immediately enter, alter, renovate or redecorate the demised premises without limitation or abatement of rent, or incurring liability to Tenant for any compensation and such act shall have no effect on this lease or Tenant's obligations hereunder.

Vault, Vault Space, Area: 14. No Vaults, vault space or area, whether or not enclosed or covered, not within the property line of the building is leased hereunder, anything contained in or indicated on any sketch, blue print or plan, or anything contained elsewhere in this lease to the contrary notwithstanding. Owner makes no representation as to the location of the property line of the building. All vaults and vault space and all such areas not within the property line of the building, which Tenant may be permitted to use and/or occupy, is to be used and/or occupied under a revocable license, and if any such license be revoked, or if the amount of such space or area be diminished or required by any federal, state or municipal authority or public utility, Owner shall not be subject to any liability nor shall Tenant be entitled to any compensation or diminution or abatement of rent, nor shall such revocation, diminution or requisition be deemed constructive or actual eviction. Any tax, fee or charge of municipal authorities for such vault or area shall be paid by Tenant.

Occupancy: 15. Tenant will not at any time use or occupy the demised premises in violation of the certificate of occupancy issued for the building of which the demised premises are a part. Tenant has inspected the premises and accepts them as is, subject to the riders annexed hereto with respect to Owner's work, if any. In any event, Owner makes no representation as to the condition of the premises and Tenant agrees to accept the same subject to violations, whether or not of record.

Bankruptcy: 16. (a) Anything elsewhere in this lease to the contrary notwithstanding, this lease may be cancelled by Owner by the sending of a written notice to Tenant within a reasonable time after the happening of any one or more of the following events: (1) the commencement of a case in bankruptcy or under the laws of any state naming Tenant as the debtor; or (2) the making by Tenant of an assignment or any other arrangement for the benefit of creditors under any state statute. Neither Tenant nor any person claiming through or under Tenant, or by reason of any statute or order of court, shall thereafter be entitled to possession of the premises demised but shall forthwith quit and surrender the premises. If this lease shall be assigned in accordance with its terms, the provisions of this Article 16 shall be applicable only to the party then owning Tenant's interest in this lease.

(b) it is stipulated and agreed that in the event of the termination of this lease pursuant to (a) hereof, Owner shall forthwith, notwithstanding any other provisions of this lease to the contrary, be entitled to recover from Tenant as and for liquidated damages an amount equal to the difference between the rent reserved hereunder for the unexpired portion of the term demised and the fair and reasonable rental value of the demised premises for the same period. In the computation of such damages the difference between any installment of rent becoming due hereunder after the date of termination and the fair and reasonable rental value of the demised premises for the period for which such installment was payable shall be discounted to the date of termination at the rate of four percent (4%) per annum. If such premises or any part thereof be relet by the Owner for the unexpired term of said lease, or any part thereof, before presentation of proof of such liquidated damages to any court, commission or tribunal, the amount of rent reserved upon such reletting shall be deemed to be the fair and reasonable rental value for the part or the whole of the premises so re-let during the term of the re-letting. Nothing herein contained shall limit or prejudice the right of the Owner to prove for and obtain as liquidated damages by reason of such termination, an amount equal to the maximum allowed by any statute or rule of law in effect at the time when, and governing the proceedings in which, such damages are to be proved, whether or not such amount be greater, equal to, or less than the amount of the difference referred to above.

Default: 17. (1) If Tenant defaults in fulfilling any of the covenants of this lease other than the covenants for the payment of rent or additional rent; or if the demised premises become vacant or deserted; or if any execution or attachment shall be issued against Tenant or any of Tenant's property whereupon the demised premises shall be taken or occupied by someone other than Tenant; or if this lease be rejected under § 235 of Title 11 of the U.S. Code (bankruptcy code); or if Tenant shall fail to move into or take possession of the premises within fifteen (15) days after the commencement of the term of this lease, then, in any one or more of such events, upon Owner serving a written five (5) days notice upon Tenant specifying the nature of said default and upon the expiration of said five (5) days, if Tenant shall have failed to comply with or remedy such default, or if the said default or omission complained of shall be of a nature that the same cannot be completely cured or remedied within said five (5) day period, and if Tenant shall not have diligently commenced during such default within such five (5) day period, and shall not thereafter with reasonable diligence and in good faith, proceed to remedy or cure such default, then Owner may serve a written three (3) days' notice of cancellation of this lease upon Tenant, and upon the expiration of said three (3) days this lease and the term thereunder shall end and expire as fully and completely as if the expiration of such three (3) day period were the day herein definitely fixed for the end and expiration of this lease and the term thereof and Tenant shall then quit and surrender the demised premises to Owner but Tenant shall remain liable as hereinafter provided.

(2) If the notice provided for in (1) hereof shall have been given, and the term shall expire as aforesaid; or if Tenant shall make default in the payment of the rent reserved herein or any item of additional rent herein mentioned or any part of either or in making any other payment herein required; then and in any of such events Owner may without notice, re-enter the demised premises either by force or otherwise, and dispossess Tenant by summary proceedings or otherwise, and the legal representative of Tenant or other occupant of demised premises and remove their effects and hold the premises as if this lease had not been made, and Tenant hereby waives the service of notice of intention to re-enter or to institute legal proceedings to that end. If Tenant shall make default hereunder prior to the date fixed as the commencement of any renewal or extension of this lease, Owner may cancel and terminate such renewal or extension agreement by written notice.

Remedies of Owner and Waiver of Redemption: 18. In case of any such default, re-entry, expiration and/or dispossess by summary proceedings or otherwise, (a) the rent shall become due thereupon and be paid up to the time of such re-entry, dispossess and/or expiration, (b) Owner may re-let the premises or any part or parts thereof, either in the name of Owner or otherwise, for a term or terms, which may at Owner's option be less than or exceed the period which would otherwise have constituted the balance of the term of this lease and may grant concessions or free rent or charge a higher rental than that in this lease, and/or (c) Tenant or the legal representatives of Tenant shall also pay Owner as liquidated damages for the failure of Tenant to observe and perform said Tenant's convenants herein contained, any deficiency between the rent hereby reserved and/or covenanted to be paid and the net amount, if any, of the rents collected on account of the lease or leases of the demised premises for each month of the period which would otherwise have constituted the balance of the term of this lease. The failure of Owner to re-let the premises or any part or parts thereof shall not release or affect Tenant's liability for damages. In computing such liquidated damages there shall be added to the said deficiency such expenses as Owner may incur in connection with re-letting, such as legal expenses, attorneys' fees, brokerage, advertising and for keeping the demised premises in good order or for preparing the same for re-letting. Any such liquidated damages shall be paid in monthly installments by Tenant on the rent day specified in this lease and any suit brought to collect the amount of the deficiency for any month shall not prejudice in any way the rights of Owner to collect the deficiency for any month shall not prejudice in any way the rights of Owner to collect the deficiency of any subsequent month by a similar proceeding. Owner, in putting the demised premises in good order or preparing the same for re-rental may, at Owner's option, make such alterations, repairs, replacements, and/or decorations in the demised premises as Owner, in Owner's sole judgment, considers advisable and necessary for the purpose of re-letting the demised premises, and the making of such alterations, repairs, replacements, and/or decorations shall not operate or be construed to release Tenant from liability hereunder as aforesaid. Owner shall in no event be liable in any way whatsoever for failure to re-let the demised premises, or in the event that the demised premises are re-let, for failure to collect the rent thereof under such re-letting, and in no event shall Tenant be entitled to receive any excess, if any, of such net rents collected over the sums payable by Tenant to Owner hereunder. In the event of a breach or threatened breach by Tenant of any of the covenants or provisions hereof, Owner shall have the right of injunction and the right to invoke any remedy allowed at law or in equity as if re-entry, summary proceedings and other remedies were not herein provided for. Mention in this lease of any particular remedy, shall not preclude Owner from any other remedy, in law or in equity. Tenant hereby expressly waives any and all rights of redemption granted by or under any present or future laws in the event of Tenant being evicted or dispossessed for any cause, or in the event of Owner obtaining possession of demised premises, by reason of the violation by Tenant of any of the covenants and conditions of this lease, or otherwise.

Fees and Expenses: 19. If Tenant shall default in the observance or performance of any term or covenant on Tenant's part to be observed or performed under or by virtue of any of the terms or provisions in any article of this lease, then, unless otherwise provided elsewhere in this lease, Owner may immediately or at any time thereafter and without notice perform the obligation of Tenant thereunder. If Owner, in connection with the foregoing or in connection with any default by Tenant in the covenant to pay rent hereunder, makes any expenditures or incurs any obligations for the payment of money, including but not limited to attorney's fees, in instituting, prosecuting or defending any action or proceeding, then Tenant will reimburse Owner for such sums so paid or obligations incurred with interest and costs. The foregoing expenses incurred by reason of Tenant's default shall be deemed to be additional rent hereunder and shall be paid by Tenant to Owner within five (5) days of rendition of any bill or statement to Tenant therefor. If Tenant's lease term shall have expired at the time of making of such expenditures or incurring of such obligations, such sums shall be recoverable by Owner as damages.

Building Alterations and Management: 20. Owner shall have the right at any time without the same constituting an eviction and without incurring liability to Tenant therefor to change the arrangement and/or location of public entrances, passageways, doors, doorways, corridors, elevators, stairs, toilets or other public parts of the building and to change the name, number or designation by which the building may be known. There shall be no allowance to Tenant for diminution of rental value and no liability on the part of Owner by reason of inconvenience, annoyance or injury to business arising from Owner or other Tenants making any repairs in the building or any such alterations, additions and improvements. Furthermore, Tenant shall not have any claim against Owner by reason of Owner's imposition of such controls of the manner of access to the building by Tenant's social or business visitors as the Owner may deem necessary for the security of the building and its occupants.

No Representations by Owners: 21. Neither Owner nor Owners's agents have made any representations or promises with respect to the physical condition of the building, the land upon which

it is erected or the demised premises, the rents, leases, expenses of operation or any other matter or thing affecting or related to the premises except as herein expressly set forth and no rights, easements or licenses are acquired by Tenant by implication or otherwise except as expressly set forth in the provisions of this lease. Tenant has inspected the building and the demised premises and is thoroughly acquainted with their condition and agrees to take the same "as is" and acknowledges that the taking of possession of the demised premises by Tenant shall be conclusive evidence that the said premises and the building of which the same form a part were in good and satisfactory condition at the time such possession was so taken, except as to latent defects. All understandings and agreements heretofore made between the parties hereto are merged in this contract, which alone fully and completely expresses the agreement between Owner and Tenant and any executory agreement hereafter made shall be ineffective to change, modify, discharge or effect an abandonment of it in whole or in part, unless such executory agreement is in writing and signed by the party against whom enforcement of the change, modification, discharge or abandonment is sought.

End of Term: 22. Upon the expiration or other termination of the term of this lease, Tenant shall quit and surrender to Owner the demised premises, broom clean, in good order and condition, ordinary wear and damages which Tenant is not required to repair as provided elsewhere in this lease excepted, and Tenant shall remove all its property. Tenant's obligation to observe or perform this covenant shall survive the expiration or other termination of this lease. If the last day of the term of this Lease or any renewal thereof, falls on Sunday, this lease shall expire at noon on the preceding Saturday unless it be a legal holiday in which case it shall expire at noon on the preceding business day.

Quiet Enjoyment: 23. Owner covenants and agrees with Tenant that upon Tenant paying the rent and additional rent and observing and performing all the terms, covenants and conditions, on Tenant's part to be observed and performed, Tenant may peaceably and quietly enjoy the premises hereby demised, subject, nevertheless, to the terms and conditions of this lease including, but not limited to, Article 31 hereof and to the ground leases, underlying leases and mortgages hereinbefore mentioned.

Failure to Give Possession: 24. If Owner is unable to give possession of the demised premises on the date of the commencement of the term hereof, because of the holding-over or retention of possession of any tenant, undertenant or occupants or if the demised premises are located in a building being constructed, because such building has not been sufficiently completed to make the premises ready for occupancy or because of the fact that a certificate of occupancy has not been procured or for any other reason, Owner shall not be subject to any liability for failure to give possession on said date and the validity of the lease shall not be impaired under such circumstances, nor shall the same be construed in any wise to extend the term of this lease, but the rent payable hereunder shall be abated (provided Tenant is not responsible for Owner's inability to obtain possession) until after Owner shall have given Tenant written notice that the premises are substantially ready for Tenant's occupancy. If permission is given to Tenant to enter into the possession of the demised premises or to occupy premises other than the demised premises prior to the date specified as the commencement of the term of this lease, Tenant covenants and agrees that such occupancy shall be deemed to be under all the terms, covenants, conditions and provisions of this lease, except as to the covenant to pay rent. The provisions of this article are intended to constitute "an express provision to the contrary" within the meaning of Section 223-a of the New York Real Property Law.

No Waiver: 25. The failure of Owner to seek redress for violation of, or to insist upon the strict performance of any covenant or condition of this lease or of any of the Rules or Regulations, set forth or hereafter adopted by Owner, shall not prevent a subsequent act which would have originally constituted a violation from having all the force and effect of an original violation. The receipt by Owner of rent with knowledge of the breach of any covenant of this lease shall not be deemed a waiver of such breach and no provision of this lease shall be deemed to have been waived by Owner unless such waiver be in writing signed by Owner. No payment by Tenant or receipt by Owner of a lesser amount than the monthly rent herein stipulated shall be deemed to be other than on account of the earliest stipulated rent, nor shall any endorsement or statement of any check or any letter accompanying any check or payment as rent be deemed an accord and satisfaction, and Owner may accept such check or payment without prejudice to Owner's right to recover the balance of such rent or pursue any other remedy in this lease provided. No act or thing done by Owner or Owner's agents during the term hereby demised shall be deemed an acceptance of a surrender of said premises, and no agreement to accept such surrender shall be valid unless in writing signed by Owner. No employee of Owner or Owner's agent shall have any power to accept the keys of said premises prior to the termination of the lease and the delivery of keys to any such agent or employee shall not operate as a termination of the lease or a surrender of the premises.

Waiver of Trial by Jury: 26. It is mutually agreed by and between Owner and Tenant that the respective parties hereto shall and they hereby do waive trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto against the other (except for personal injury or property damage) on any matters whatsoever arising out of or in any way connected with this lease, the relationship of Owner and Tenant, Tenant's use of or occupancy of said premises, and any emergency statutory or any other statutory remedy. It is further mutually agreed that in the event Owner commences any summary proceeding for possession of the premises, Tenant will not interpose any counterclaim of whatever nature or description in any such proceeding including a counterclaim under Article 4.

Inability to Perform: 27. This Lease and the obligation of Tenant to pay rent hereunder and perform all of the other covenants and agreements hereunder on part of Tenant to be performed shall in no wise be affected, impaired or excused because Owner is unable to fulfill any of its obligations under this lease or to supply or is delayed in supplying any service expressly or impliedly to be supplied or is unable to make, or is delayed in making any repair, additions, alterations or decorations or is unable to supply or is delayed in supplying any equipment or fixtures if Owner is prevented or delayed from so doing by reason of strike or labor troubles or any cause whatsoever including, but not limited to, government preemption in connection with a National Emergency or by reason of any rule, order or regulation of any department or subdivision thereof of any government agency or by reason of the conditions of supply and demand which have been or are affected by war or other emergency.

Bills and Notices: 28. Except as otherwise in this lease provided, a bill, statement, notice or communication which Owner may desire or be required to give to Tenant, shall be deemed sufficiently given or rendered if, in writing, delivered to Tenant personally or sent by registered or certified mail addressed to Tenant at the building of which the demised premises form a part or at the last known residence address or business address of Tenant or left at any of the aforesaid premises addressed to Tenant, and the time of the rendition of such bill or statement and of the giving of such notice or communication shall be deemed to be the time when the same is delivered to Tenant, mailed, or left at the premises as herein provided. Any notice by Tenant to Owner must be served by registered or certified mail addressed to Owner at the address first hereinabove given or at such other address as Owner shall designate by written notice.

Services Provided by Owner: 29. As long as Tenant is not in default under any of the covenants of this lease, Owner shall provide: (a) necessary elevator facilities on business days from 8 a.m. to 6 p.m. and on Saturdays from 8 a.m. to 1 p.m. and have one elevator subject to call at all other times; (b) heat to the demised premises when and as required by law, on business days from 8 a.m. to 6 p.m. and on Saturdays from 8 a.m. to 1 p.m.; (c) water for ordinary lavatory purposes, but if Tenant uses or consumes water for any other purposes or in unusual quantities (of which fact Owner shall be the sole judge), Owner may install a water meter at Tenant's expense which Tenant shall thereafter maintain at Tenant's expense in good working order and repair to register such water consumption and Tenant shall pay for water consumed as shown on said meter as additional rent as and when bills are rendered; (d) cleaning service for the demised premises on business days at Owner's expense provided that the same are kept in order by Tenant, if, however, said premises are to be kept clean by Tenant, it shall be done at Tenant's sole expense, in a manner satisfactory to Owner and no one other than persons approved by Owner shall be permitted to enter said premises or the building of which they are a part for such purpose. Tenant shall pay Owner the cost of removal of any of Tenant's refuse and rubbish from the building; (e) if the demised premises is serviced by Owner's air conditioning/cooling and ventilating system, air conditioning/cooling will be furnished to tenant from May 15th through September 30th on business days (Mondays through Fridays, holidays excepted) from 8:00 a.m. to 6:00 p.m., and ventilation will be furnished on business days during the aforesaid hours except when air conditioning/cooling is being furnished as aforesaid. If Tenant requires air conditioning/cooling or ventilation for more extended hours or on Saturdays, Sundays or on holidays, as defined under Owner's contract with Operating Engineers Local 94-94A, Owner will furnish the same at Tenant's expense. RIDER to be added in respect to rates and conditions for such additional service; (f) Owner reserves the right to stop services of the heating, elevators, plumbing, air-conditioning, power systems or cleaning or other services, if any, when necessary by reason of accident or for repairs, alterations, replacements or improvements necessary or desirable in the judgment of Owner for as long as may be reasonably required by reason thereof. If the building of which the demised premises are a part supplies manually-operated elevator service, Owner at any time may substitute automatic-control elevator service and upon ten days' written notice to Tenant, proceed with alterations necessary therefor without in any wise affecting this lease or the obligation of Tenant hereunder. The same shall be done with a minimum of inconvenience to Tenant and Owner shall pursue the alteration with due diligence.

Captions: 30. The Captions are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of this lease nor the intent of any provisions thereof.

Definitions: 31. The term "office", or "offices", wherever used in this lease, shall not be construed to mean premises used as store or stores, for the sale or display, at any time, of goods, wares or merchandise, of any kind, or as a restaurant, shop, booth, bootblack or other stand, barber shop, or for other similar purposes or for manufacturing. The term "Owner" means a landlord or lessee, and as used in this lease means only the owner, or the mortgagee in possession, for the time being of the land and building (or the owner of a lease of the building or of the land and building) of which the demised premises form a part, so that in the event of any sale or sales of said land and building or of said lease, or in the event of a lease of said building, or of the land and building, the said Owner shall be and hereby is entirely freed and relieved of all covenants and obligations of Owner hereunder, and it shall be deemed and construed without further agreement between the parties or their successors in interest, or between the parties and the purchaser, at any such sale, or the said lessee of the building, or of the land and building, that the purchaser or the lessee of the building has assumed and agreed to carry out any and all covenants and obligations of Owner, hereunder. The words "re-enter" and "re-entry" as used in this lease are not restricted to their technical legal meaning. The term "business days" as used in this lease shall exclude Saturdays (except such portion thereof as is covered by specific hours in Article 29 hereof), Sundays and all days observed by the State or Federal Government as legal holidays and those designated as holidays by the applicable building service union employees service contract or by the applicable Operating Engineers contract with respect to HVAC service.

☞ Rider to be added if necessary.

Adjacent Excavation--- Shoring: 32. If an excavation shall be made upon land adjacent to the demised premises, or shall be authorized to be made, Tenant shall afford to the person causing or authorized to cause such excavation, license to enter upon the demised premises for the purpose of doing such work as said person shall deem necessary to preserve the wall or the building of which demised premises form a part from injury or damage and to support the same by proper foundations without any claim for damages or indemnity against Owner, or diminution or abatement of rent.

Rules and Regulations 33. Tenant and Tenant's servants, employees, agents, visitors, and licensees shall observe faithfully, and comply strictly with, the Rules and Regulations and such other and further reasonable Rules and Regulations as Owner or Owner's agents may from time to time adopt. Notice of any additional rules or regulations shall be given in such manner as Owner may elect. In case Tenant disputes the reasonableness of any additional Rule or Regulation hereafter made or adopted by Owner or Owner's agents, the parties hereto agree to submit the question of the reasonableness of such Rule or Regulation for decision to the New York office of the American Arbitration Association, whose determination shall be final and conclusive upon the parties hereto. The right to dispute the reasonableness of any additional Rule or Regulation upon Tenant's part shall be deemed waived unless the same shall be asserted by service of a notice, in writing upon Owner within ten (10) days after the giving of notice thereof. Nothing in this lease contained shall be construed to impose upon Owner any duty or obligation to enforce the Rules and Regulations or terms, covenants or conditions in any other lease, as against any other tenant and Owner shall not be liable to Tenant for violation of the same by any other tenant, its servants, employees, agents, visitors or licensees.

Security: 34. Tenant has deposited with Owner the sum of $22,208.34 as security for the faithful performance and observance by Tenant of the terms, provisions and conditions of this lease; it is agreed that in the event Tenant defaults in respect of any of the terms, provisions and conditions of this lease, including, but not limited to, the payment of rent and additional rent, Owner may use, apply or retain the whole or any part of the security so deposited to the extent required for the payment of any rent and additional rent or any other sum as to which Tenant is in default or for any sum which Owner may expend or may be required to expend by reason of Tenant's default in respect of any of the terms, covenants and conditions of this lease, including but not limited to, any damages or deficiency in the re-letting of the premises, whether such damages or deficiency accrued before or after summary proceedings or other re-entry by Owner. In the event that Tenant shall fully and faithfully comply with all of the terms, provisions, covenants and conditions of this lease, the security shall be returned to Tenant after the date fixed as the end of the Lease and after delivery of entire possession of the demised premises to Owner. In the event of a sale of the land and building or leasing of the building, of which the demised premises form a part, Owner shall have the right to transfer the security to the vendee or lessee and Owner shall thereupon be released by Tenant from all liability for the return of such security; and Tenant agrees to look to the new Owner solely for the return of said security, and it is agreed that the provisions hereof shall apply to every transfer or assignment made of the security to a new Owner. Tenant further covenants that it will not assign or encumber or attempt to assign or encumber the monies deposited herein as security and that neither Owner nor its successors or assigns shall be bound by any such assignment, encumbrance, attempted assignment or attempted encumbrance.

Space to be filled in or deleted. *without interest

Estoppel Certificate 35. Tenant, at any time, and from time to time, upon at least 10 days' prior notice by Owner, shall execute, acknowledge and deliver to Owner, and/or to any other person, firm or corporation specified by Owner, a statement certifying that this Lease is unmodified and in full force and effect (or, if there have been modifications, that the same is in full force and effect as modified and stating the modifications), stating the dates to which the rent and additional rent have been paid, and stating whether or not there exists any default by Owner under this Lease, and, if so, specifying each such default.

Successors and Assigns: 36. The covenants, conditions and agreements contained in this lease shall bind and inure to the benefit of Owner and Tenant and their respective heirs, distributees, executors, administrators, successors, and except as otherwise provided in this lease, their assigns.

SEE RIDER ATTACHED

In Witness Whereof, Owner and Tenant have respectively signed and sealed this lease as of the day and year first above written.

Witness for Owner:

.....

Witness for Tenant:

.....

200 FRANK ROAD LLC CORP SEAL

By: ..... Member [L.S.]

ADVANCED MULTIMEDIA DEVICES, INC. CORP SEAL

By: ..... SAM TANG, President [L.S.]

ACKNOWLEDGMENTS

CORPORATE OWNER
STATE OF NEW YORK, ss.:
County of

On this day of , 19 , before me personally came to me known, who being by me duly sworn, did depose and say that he resides in that he is the of the corporation described in and which executed the foregoing instrument, as OWNER; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that he signed his name thereto by like order.

.....

INDIVIDUAL OWNER
STATE OF NEW YORK, ss.:
County of

On this day of , 19 , before me personally came to me known and known to me to be the individual described in and who, as OWNER, executed the foregoing instrument and acknowledged to me that he executed the same.

.....

CORPORATE TENANT
STATE OF NEW YORK, ss.:
County of

On this day of , 19 , before me personally came to me known, who being by me duly sworn, did depose and say that he resides in that he is the of the corporation described in and which executed the foregoing instrument, as TENANT; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that he signed his name thereto by like order.

.....

INDIVIDUAL TENANT
STATE OF NEW YORK, ss.:
County of

On this day of , 19 , before me personally came to me known and known to me to be the individual described in and who, as TENANT, executed the foregoing instrument and acknowledged to me that he executed the same.

.....

GUARANTY

FOR VALUE RECEIVED, and in consideration for, and as an inducement to Owner making the within lease with Tenant, the undersigned guarantees to Owner, Owner's successors and assigns, the full performance and observance of all the covenants, conditions and agreements, therein provided to be performed and observed by Tenant, including the "Rules and Regulations" as therein provided, without requiring any notice of non-payment, non-performance, or non-observance, or proof, or notice, or demand, whereby to charge the undersigned therefor, all of which the undersigned hereby expressly waives and expressly agrees that the validity of this agreement and the obligations of the guarantor hereunder shall in no wise be terminated, affected or impaired by reason of the assertion by Owner against Tenant of any of the rights or remedies reserved to Owner pursuant to the provisions of the within lease. The undersigned further covenants and agrees that this guaranty shall remain and continue in full force and effect as to any renewal, modification or extension of this lease and during any period when Tenant is occupying the premises as a "statutory tenant." As a further inducement to Owner to make this lease and in consideration thereof, Owner and the undersigned covenant and agree that in any action or proceeding brought by either Owner or the undersigned against the other on any matters whatsoever arising out of, under, or by virtue of the terms of this lease or of this guaranty that Owner and the undersigned shall and do hereby waive trial by jury.

Dated New York City ....19.........

WITNESS:

....

STATE OF NEW YORK,) ss.:
County of)

On this day of , 19 , before me personally came

to me known and known to me to be the individual described in, and who executed the foregoing Guaranty and acknowledged to me that he executed the same.

....
Notary

.... (L. S.)

Residence ....

Business Address ....

Firm Name ....

IMPORTANT - PLEASE READ

RULES AND REGULATIONS ATTACHED TO AND MADE A PART OF THIS LEASE IN ACCORDANCE WITH ARTICLE 33.

1. The sidewalks, entrances, driveways, passages, courts, elevators, vestibules, stairways, corridors or halls shall not be obstructed or encumbered by any Tenant or used for any purpose other than for ingress or egress from the demised premises and for delivery of merchandise and equipment in a prompt and efficient manner using elevators and passageways designated for such delivery by Owner. There shall not be used in any space, or in the public hall of the building, either by any Tenant or by jobbers or others in the delivery or receipt of merchandise, any hand trucks, except those equipped with rubber tires and sideguards. If said premises are situated on the ground floor of the building, Tenant thereof shall further, at Tenant's expense, keep the sidewalk and curb in front of said premises clean and free from ice, snow, dirt and rubbish.

2. The water and wash closets and plumbing fixtures shall not be used for any purposes other than those for which they were designed or constructed and no sweepings, rubbish, rags, acids or other substances shall be deposited therein, and the expense of any breakage, stoppage, or damage resulting from the violation of this rule shall be borne by the Tenant who, or whose clerks, agents, employees or visitors, shall have caused it.

3. No carpet, rug or other article shall be hung or shaken out of any window of the building; and no Tenant shall sweep or throw or permit to be swept or thrown from the demised premises any dirt or other substances into any of the corridors or halls, elevators, or out of the doors or windows or stairways of the building and Tenant shall not use, keep or permit to be used or kept any foul or noxious gas or substance in the demised premises, or permit or suffer the demised premises to be occupied or used in a manner offensive or objectionable to Owner or other occupants of the buildings by reason of noise, odors, and/or vibrations, or interfere in any way with other Tenants or those having business therein, nor shall any animals or birds be kept in or about the building. Smoking or carrying lighted cigars or cigarettes in the elevators of the building is prohibited.

4. No awnings or other projections shall be attached to the outside walls of the building without the prior written consent of Owner.

5. No sign, advertisement, notice or other lettering shall be exhibited, inscribed, painted or affixed by any Tenant on any part of the outside of the demised premises or the building or on the inside of the demised premises if the same is visible from the outside of the premises without the prior written consent of Owner, except that the name of Tenant may appear on the entrance door of the premises. In the event of the violation of the foregoing by any Tenant, Owner may remove same without any liability, and may charge the expense incurred by such removal to Tenant or Tenants violating this rule. Interior signs on doors and directory tablet shall be inscribed, painted or affixed for each Tenant by Owner at the expense of such Tenant, and shall be of a size, color and style acceptable to Owner.

6. No Tenant shall mark, paint, drill into, or in any way deface any part of the demised premises or the building of which they form a part. No boring, cutting or stringing of wires shall be permitted, except with the prior written consent of Owner, and as Owner may direct. No Tenant shall lay linoleum, or other similar floor covering, so that the same shall come in direct contact with the floor of the demised premises, and, if linoleum or other similar floor covering is desired to be used an interlining of builder's deadening felt shall be first affixed to the floor, by a paste or other material, soluble in water, the use of cement or other similar adhesive material being expressly prohibited.

7. No additional locks or bolts of any kind shall be placed upon any of the doors or windows by any Tenant, nor shall any changes be made in existing locks or mechanism thereof. Each Tenant must, upon the termination of his Tenancy, restore to Owner all keys of stores, offices and toilet rooms, either furnished to, or otherwise procured by, such Tenant, and in the event of the loss of any keys, so furnished, such Tenant shall pay to Owner the cost thereof.

8. Freight, furniture, business equipment, merchandise and bulky matter of any description shall be delivered to and removed from the premises only on the freight elevators and through the service entrances and corridors, and only during hours and in a manner approved by Owner. Owner reserves the right to inspect all freight to be brought into the building and to exclude from the building all freight which violates any of these Rules and Regulations of the lease or which these Rules and Regulations are a part.

9. Canvassing, soliciting and peddling in the building is prohibited and each Tenant shall cooperate to prevent the same.

10. Owner reserves the right to exclude from the building between the hours of 6 P.M. and 8 A.M. and at all hours on Sundays, and legal holidays all persons who do not present a pass to the building signed by Owner. Owner will furnish passes to persons for whom any Tenant requests same in writing. Each Tenant shall be responsible for all persons for whom he requests such pass and shall be liable to Owner for all acts of such persons.

11. Owner shall have the right to prohibit any advertising by any Tenant which in Owner's opinion, tends to impair the reputation of the building or its desirability as a building for offices, and upon written notice from Owner, Tenant shall refrain from or discontinue such advertising.

12. Tenant shall not bring or permit to be brought or kept in or on the demised premises, any inflammable, combustible or explosive fluid, material, chemical or substance, or cause or permit any odors of cooking or other processes, or any unusual or other objectionable odors to permeate in or emanate from the demised premises.

13. If the building contains central air conditioning and ventilation, Tenant agrees to keep all windows closed at all times and to abide by all rules and regulations issued by the Owner with respect to such services. If Tenant requires air conditioning or ventilation after the usual hours, Tenant shall give notice in writing to the building superintendent prior to 3:00 P.M. in the case of services required on week days, and prior to 3.00 P.M. on the day prior in the case of after hours service required on weekends or on holidays.

14. Tenant shall not move any safe, heavy machinery, heavy equipment, bulky matter, or fixtures into or out of the building without Landlord's prior written consent. If such safe, machinery, equipment, bulky matter or fixtures requires special handling, all work in connection therewith shall comply with the Administrative Code of the City of New York and all other laws and regulations applicable thereto and shall be done during such hours as Owner may designate.

Address

Premises

TO

STANDARD FORM OF

Office Lease

Dated 19

Rent per Year

Rent per Month

Term
From
To

Drawn by .... Checked by ....

Entered by .... Approved by ....

RIDER TO LEASE
BETWEEN
200 FRANK ROAD LLC, LANDLORD
AND
ADVANCED MULTIMEDIA DEVICES, TENANT
DATED: 2/13, 2002

In the event of conflict between the terms, covenants, conditions and provisions of this Rider with those of the Standard Form of Lease or any of the Exhibits or Schedules attached hereto, the terms, covenants, conditions, and provisions of this Rider shall govern and control the rights and obligations of the parties hereto.

37. Indemnity, Liability, Insurance. (a) Tenant covenants and agrees to indemnify and save Landlord and its designees harmless from and against any and all claims arising during the term of this Lease for damages or injuries to goods, wares, merchandise and/or for any personal injury or loss of life in, upon or about the demised premises or the building in which the demised premises is a part, or on the sidewalks or parking areas adjoining the demised premises, except such claims or liabilities as may be the result of the negligence of Landlord, its agents, employees or contractors.

(b) Tenant covenants to provide, on or before the commencement date of the term hereof and to keep in force during the term hereof for the benefit of Landlord and Tenant a comprehensive policy of liability insurance protecting and naming Landlord and Tenant and any designee of Landlord as insureds against any liability whatsoever occasioned by accident on or about the demised premises or the building in which the demised premises is a part, or any appurtenances thereto. Such policy is to be written by good and solvent insurance companies reasonably satisfactory to Landlord, and the limits of liability thereunder shall not be less than the amount of TWO MILLION and 00/100 ($2,000,000.00) DOLLARS in respect to any one accident, and in the amount of TWO HUNDRED FIFTY THOUSAND and 00/100 ($250,000 00) DOLLARS in respect of property damages or ONE MILLION and 00/100 ($1,000,000 00) DOLLARS single limit. Such insurance may be carried under a blanket policy covering the demised premises and other locations of Tenant, if any. Prior to the time such insurance is first required to be carried by Tenant, and thereafter, at least thirty (30) days prior to the expiration of any such policy, Tenant agrees to deliver to Landlord either a duplicate insurance provided said certificate contains an endorsement that such insurance may not be cancelled or modified except upon thirty (30) days notice to Landlord together with evidence of payment for the policy. Tenant's failure to provide and keep in force the aforementioned insurance shall be regarded as a material default hereunder entitling Landlord to exercise any and all of the remedies as provided in this Lease in the event of tenant's default.

37. Definition of Landlord. As used in this Lease, the term "Landlord" shall mean only the owner or the mortgagee in possession for the time being of the building in which the demised premises are located or the holder of a lease on both said building and the land thereunder so that in the event of any sale of said building or an assignment of this lease or any underlying lease or demise of both of said building and land, Landlord shall be and hereby is entirely released and discharged from any and all further liability and obligations of Landlord hereunder therefrom, except any that may have theretofore accrued.

Notwithstanding anything to the contrary provided in this Lease, it is specifically understood and agreed, such agreement being a primary consideration of this Lease by Landlord, that there shall be absolutely no personal liability on the part of the Landlord, its successors, assigns or any mortgagee in possession (for the purposes of this paragraph collectively referred to as "Landlord"), with respect to any of the terms,

covenants, and conditions of this Lease, and that Tenant shall look solely to the equity of Landlord in the demised premises for the satisfaction of each and every remedy of Tenant in the event of any breach by Landlord of any of the terms, covenants and conditions of this Lease to be performed by Landlord, such exculpation of liability to be absolute and without any exceptions whatsoever.

38. Tax Increases. (a) Within the meaning of this Section, the expression "Impositions" shall mean the aggregate of all taxes, special or otherwise, charges, transfer taxes, excises, levies, assessments and other governmental charges of any kind or nature, general or special, ordinary or extraordinary presently existing or created hereafter, foreseen or unforeseen, and any personal property taxes imposed upon the fixtures, machinery, equipment, apparatus, systems and appurtenances in, upon or used in connection with the Building of which the Demised Premises is a part for the operation thereof, which in any fiscal year may be assessed, levied, confirmed, imposed upon or become due and payable out of or become a lien upon the Land and Building (herein collectively called the "Property") of which the Demised Premises are a part or any appurtenances thereto, provided that if because of any change in the method of taxation of real estate any other or additional tax or assessment is imposed upon Landlord and/or the owner of the Land and/or Building, or upon or with respect to the Building and/or Land or the rents or income therefrom, or are substituted for or in lieu of or in addition to any taxes or assessments which would otherwise be a real estate tax of the type referred to above, such other tax or assessment shall also be deemed an Imposition. The expression "Base Impositions" means the Impositions levied or imposed against the Property for the:

Base Year School 2001/2002 - $ 37,588.06

Base Year Town and County 2002 - $ 31,133.26

→ $68,721.32

(b) If Landlord is currently receiving or receives an abatement in respect to the Impositions, the parties agree that the Base Impositions applied to Tenant shall be the total Impositions as if no abatement were applied. Any abatement which shall apply to any increase in Impositions subsequent to the base year for which the Tenant has paid its Proportionate Share of the Impositions shall be reimbursed to the Tenant for its Proportionate Share thereof, after first deducting therefrom the share of Landlord's costs and expenses in procuring the same. Tenant's Proportionate Share of any increase in Impositions shall be based upon any increase over the base year taxes less any abatement of such increase which Landlord shall receive for the particular year. For example, if the Base Impositions without abatement are One Hundred Thousand ($100,000.00) Dollars and the following year the increase in Impositions without abatement is Ten Thousand ($10,000.00) Dollars, and a Four Thousand ($4,000.00) Dollar abatement applied, Tenant will pay its Proportionate Share of Six Thousand ($6,000.00) Dollar, which is the increase in Impositions which applies to Landlord and in a like manner for each subsequent year.

(c) Tenant agrees to pay Landlord, throughout the Term of this Lease as additional rental, a sum equal to 52 percent (as used in this Section 2, the foregoing percent shall be referred to as Tenant's "Proportionate Share") of the amount by which the Impositions levied against the Property in each fiscal tax year exceeds the Base Impositions.

(d) Any amount due to Landlord under the provisions of this Section shall be payable to Landlord within ten (10) days after submission to Tenant of such bill or invoice evidencing such Impositions. Any increase in Impositions for the fiscal tax year in which this Lease falls shall be apportioned so that Tenant shall pay its Proportionate

Share of only that portion of the increase for such tax year which corresponds with that portion of the tax year as falls within the Term The Impositions for any fiscal tax year in respect to which Tenant is obligated to pay a portion of the increase as above set forth in this Section shall be the amount of such Impositions as finally determined to be legally payable, by legal proceedings or otherwise. In no event shall Tenant be obligated to pay any interest or penalties imposed upon Landlord for late payment.

(e) The Landlord reserves the sole right, through available legal remedies, to contest the validity of any Impositions or the amount of the assessed valuation of the Property for any fiscal tax year. If Landlord shall receive any tax refund, remission or abatement in respect to the Impositions for any fiscal tax year which the Tenant has paid its Proportionate Share of the Impositions as herein provided, then Landlord shall reimburse Tenant for its Proportionate Share thereof, after first deducting therefrom the share of Landlord's cost and expense in procuring such refund, remission or abatement proportionately attributed to the reimbursement due to Tenant. If Landlord shall be required to pay any increase in Impositions for such fiscal tax year, the amount of Tenant's Proportionate Share of Impositions for such fiscal tax year shall be increased and Tenant, on Landlord's demand, shall pay its Proportionate Share of the increase within ten (10) days from the date of notice thereof.

39. Additional Rent. All costs, charges, adjustments and expenses which Tenant assumes or agrees to pay pursuant to this Lease shall, at Landlord's election, be treated as additional rent and, in the event of nonpayment, Landlord shall have the rights and remedies herein provided for in the case of nonpayment of rent or breach of condition. If Tenant shall default in making any payment required to be made by Tenant (other than the payment of rent required pursuant to this Lease) or shall default in performing any other term, covenant or condition of this Lease on the part of Tenant to be performed hereunder, Landlord, at Landlord's option, may (but shall not be obligated to) immediately or at any time thereafter, on five (5) days' written notice, make such payment or, on behalf of Tenant, cause the same to be performed for the account of Tenant and expend such sum as may be necessary to perform and fulfill such term, covenant or condition, and any and all sums so expended by Landlord, with interest thereon at the highest legal rate per annum from the date of such expenditure, shall be and be deemed to be additional rent, in addition to the fixed rent, and shall be repaid by Tenant to Landlord on demand, provided, however, that no such payment or expenditure by Landlord shall be deemed a waiver of Tenant's default nor shall it affect any other remedy of Landlord by reason of such default. Tenant's obligation to pay additional rent shall survive any termination or earlier expiration of this Lease. Tenant acknowledges and agrees that its obligation to pay additional rent shall include interest at the rate of the lesser of eighteen (18%) percent per annum or the highest rate permitted by law on all retroactive charges owed by Tenant pursuant to this Rider and Lease from a date which is five (5) days following the respective retroactive date that each item of additional rent shall first become due and payable.

In addition thereto, in the event Landlord is required to institute suit against Tenant by reason of Tenant's default or to recover possession of Demised Premises, then Tenant shall pay the Landlord's reasonable attorney's fees, expenses and costs actually incurred in connection therewith, if successful

40. Holding Over. Upon the expiration or other termination of the term of this Lease, the Tenant shall quit and surrender to the Landlord the demised premises in the same or similar condition as existed at the time the Tenant commences to occupy and/or operate its business, ordinary wear and tear excepted. Excepted from the aforesaid shall be improvements and changes approved or consented to by the Landlord.

If Tenant retains possession of the demised premises or any part thereof after termination of the term by lapse of time or otherwise, without prior written approval of Landlord, the Tenant shall pay the Landlord rent at double the rate specified in Article 1 for the time the Tenant thus remains in possession. If Tenant remains in possession of the demised premises, or any part hereof, after the termination of the term by lapse of time or otherwise, such holding over shall at the election of the Landlord expressed in a written notice to the Tenant and not otherwise, constitute an extension of this Lease on a month to month basis at double the monthly rental set forth in Article 1. The provisions of this Section do not exclude the Landlord's right of re-entry or any other right thereunder.

41. Brokerage. Landlord and Tenant represent to each other that there was no broker instrumental in consummating this Lease other than Nassau Suffolk Realty Co., Inc. and Aireco Real Estate Corp., which commission Landlord will pay as per separate agreement. Tenant and Landlord agree to hold each other harmless from and against any and all claims or demands for brokerage commissions arising out of or in connection with the execution of this Lease or any conversations or negotiations thereto with any other broker and arising out of such party's acts.

42. Tenant's Certificate. Tenant shall, without charge at any time and from time to time, within ten (10) days after request by Landlord, certify by written instrument, duly executed, acknowledged and delivered, to any mortgagee, assignee of any mortgage or purchaser, or any proposed mortgagee, assignee of any mortgage or purchaser, or any other person, firm or corporation specified by Landlord:

(a) That this Lease is unmodified and in full force and effect (or, if there has been modification, that the same is in full force and effect as modified and stating the modification);

(b) Whether or not there are then existing set-offs or defenses against the enforcement of any of the agreements, terms, covenants or conditions hereof upon the part of Tenant to be performed or complied with (and, if so, specifying the same); and

(c) The dates, if any, to which the rental and other charges hereunder have been paid in advance and/or to which Landlord may have consented, released or relieved Tenant from Tenant's obligations to perform any and all of the terms, covenants and conditions of the Lease on Tenant's part to be performed.

43. Costs and Fees. In addition thereto, in the event Landlord is required to institute suit against Tenant by reason of Tenant's default or to recover possession of the Premises or collect any sums due to Landlord, then Tenant shall pay Landlord's reasonable attorney's fees, expenses and costs of maintaining such action or proceeding, if successful.

44. Cleaning and Maintenance. ~~The Tenant shall pay fifty-two (52%) percent of the cost of parking lot maintenance and snow removal of the parking lot adjoining the premises to the south.~~ Tenant shall be solely responsible for landscaping, gardening and lawn maintenance and snow removal for the premises at the front of the building. Tenant shall be responsible for its own cleaning, rubbish and waste disposal at its own cost and expense. Tenant shall pay fifty-two (52%) percent of the Landlord's building owner's fire and liability policy of insurance In the event Tenant fails to pay any of the aforesaid costs, it shall be a default under this Lease and in the event the Landlord pays the same at its option, said cost and expense shall be collected as additional rent

pursuant to the Lease.

45. Interest. Any payment required to be made by Tenant pursuant to this Lease including all payments of rent, additional rent or other charges, not made by Tenant as and when due, shall thereupon be deemed to be due and payable by Tenant to Landlord on demand with interest thereon from ten (10) days from the date on which the particular amount becomes due to the date of payment thereof to Landlord at the rate of the lesser of sixteen (16%) percent per annum or the highest rate permitted by law.

46. Municipal Compliance. Tenant agrees to comply with all applicable air and water pollution control, toxic waste, hazardous waste and prevention laws, regulations and state and federal air pollution and water pollution control agencies, toxic waste recommendations in the maintenance of all facilities located on the leased premises provided same do not require a major capital expense by Tenant. Tenant agrees to indemnify and hold Landlord harmless from and against any and all claims, fines, penalties or similar consequence of Tenant's breach of this Section and to promptly pay and settle said claims, fines, penalties or similar consequences and to advise Landlord of same within ten (10) days of Tenant's receipt of same. Tenant shall not be responsible for any environmental condition or violations occurring prior to the date of this Lease.

47. Non-Waiver: The receipt by Landlord of rent with knowledge of a breach of any covenant of this Lease shall not be deemed a waiver of such breach. No payment by Tenant or receipt by Landlord of a lesser amount than the amounts herein stipulated shall be deemed to be other than on account of the earliest stipulated rent. No endorsement or statement on any check or any letter accompanying any check or payment as rent shall be deemed an accord and satisfaction. The Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such payment or pursue any other remedy provided.

48. Written Agreements. No executory agreement hereafter made shall be effective to change, modify or discharge this Lease in whole or in part unless such agreement is in writing and signed by the party against whom enforcement of the change, modification or discharge is sought.

49. Rental Payments. All payments of rent or additional rent shall be made by the Tenant to the Landlord without notice of demand at such place as the Landlord may from time to time designate in writing. In the event the Tenant shall not have paid any rent or additional rent on or before the fifth (5th) day after the same is due, then in that event, the Tenant shall pay the Landlord a late charge of ONE HUNDRED and 00/100 ($100.00) DOLLARS per day computed from the first (1st) day when said rent or additional rent became due to the date on which payment is made. This late charge shall be deemed additional rent and shall, at Landlord's option, be added to the rent for the month in which the rent shall be due. The demand for and collection of the aforesaid late charges shall be in no manner be construed as a waiver of any and all remedies that Landlord may have under the terms of the within Lease either by summary proceeding or otherwise in the event of the default in payment of rent or additional rent.

50. Utilities. It is expressly understood that the Tenant shall pay for all Tenant's heat, air conditioning, gas, electric and lighting of the Tenant's premises and will hold the Landlord harmless from any costs, bills or claims related thereto. Tenant shall be responsible for repairs to the heating and air conditioning units and shall maintain service contracts thereon at Tenant's own cost and expense.

51. Premises Condition. The Tenant takes the demised premises "as is"

pursuant to the Lease.

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51. Premises Condition. The Tenant takes the demised premises "as is"

without representation of any nature whatsoever on the part of the Landlord, except as set forth in Paragraph "52" herein, the Tenant having made an inspection of the demised premises, its electrical lines, water lines and other utility lines. The Tenant also acknowledges that the interior and exterior of the premises is being delivered in "as is" condition without any requirement of the Landlord to paint, repair, or in any way upgrade or change the interior or exterior of the premises as presently exists. The Landlord shall not be required to do any work or modification to the interior or exterior or grounds of the premises.

52. Landlord's Representations and Landlord's Work. Landlord shall construct a demising and separating wall as shown on Exhibit "A" annexed hereto and shall deliver plumbing, air conditioning, heating and electrical systems in working order on delivery of possession. Landlord will also repair driveway and parking lot area, which work shall be completed by May 31st, 2002.

53. Surrender. No agreement to accept a surrender of this Lease shall be valid unless in writing signed by the Landlord. No employee of the Landlord or of the Landlord's agents shall have any power to accept the keys of the premises prior to the termination of this Lease. Landlord shall not unreasonably withhold any valid surrender of the Lease or the demised premises of the Tenant

54. Unobstructed Area. Tenant covenants and agrees that no sidewalk, or entrance to or exit from, the demised premises shall be obstructed or encumbered in any manner.

55. Tenant Use. The Tenant agrees not to use, occupy or permit the Demised Premises to be used and occupied for any other purpose except that hereinbefore specifically permitted on page 1 of the printed form of this Lease.

56. Insurance Recommendations. In the event that the insurance companies used by Landlord in connection with the building shall recommend reasonable changes in practices, equipment or otherwise used within the demised premises based on Tenant's use of the premises, Tenant, at Tenant's sole cost and expense, will conform therewith within ten (10) days after Landlord has served written notice thereof providing same does not require Tenant to expend any substantial or significant sum of money and in the event of Tenant's neglect and/or refusal to do the same, which refusal or neglect would give grounds to policy cancellation or non-renewal. Landlord shall, in addition to being possessed of all of the Landlord's rights under this Lease, have the option to perform the same at Tenant's cost and expense, charging Tenant therefor as additional rent hereunder which Tenant shall pay to Landlord as additional rent promptly upon receiving written notice thereof.

57. Fire and Code Compliance. Tenant shall furnish and operate its demised premises in such manner as to conform to all requirements of the Fire Department and Board of Fire Underwriters within the demised premises.

58. Waiver of Counterclaim Tenant covenants not to interpose any counterclaim against Landlord in any action brought or non-payment of rent or additional rent by Landlord against Tenant in connection with the Lease or otherwise.

59. Successors and Assigns. The covenants, conditions and agreements contained in this Lease shall bind and inure to the benefit of Landlord and Tenant and their respective heirs, distributees, executors, administrators, successors and except as

otherwise provided or permitted in this Lease, their assigns.

60. Captions. The captions are inserted only as a matter of convenience and for reference and in no way define, limit or describe the terms of this Lease nor the intent of any provision thereof.

61. Liens. If, because of any act or omission of the Tenant, any mechanic's lien or other lien or order for payment of money shall be filed against any part of the demised premises or against the Landlord (whether or not such lien or order is valid or enforceable as such), the Tenant shall cause the same to be cancelled and discharged of record or bonded, at the Tenant's own cost and expense, within thirty (30) days after the notice of filing thereof, and further, the Tenant shall indemnify and save harmless the Landlord from any and all costs, expenses, claims, loss and/or damage, including reasonable counsel fees, resulting therefrom or by reason thereof. In the event that the Tenant shall fail, neglect or refuse to discharge or bond any mechanic's lien or order, as provided within thirty (30) days, then and in such event, the Landlord may cancel and terminate this Lease on thirty (30) days notice in writing to Tenant by certified mail, of such cancellation and termination, and in addition thereto, Tenant shall be liable for and responsible to Landlord for any loss or damage that Landlord may sustain by reason of the failure of the Tenant to discharge said lien or order.

62. Notices. All notices hereunder, unless it is otherwise specifically provided, shall be sent to the Landlord by certified mail, return receipt requested, and addressed as follows:

200 Frank Road LLC
100 Frank Road
Hicksville, New York 11801
Att: James and Don Meglino

or such other address as Landlord shall notify Tenant by certified mail, return receipt requested. Notice to the Tenant shall be deemed properly given, less other means is specifically provided herein, by certified mail, return receipt requested addressed to the Tenant as follows:

Advanced Multimedia Devices, Inc
AMDI
31 Watermill Lane
Great Neck, New York 11020
Att: Mr. Sam Tang

or such other address as Tenant shall notify Landlord of by certified mail, return receipt requested. Notice shall be deemed properly given when deposited in the U.S. Post Office properly wrapped and enclosed in a proper postage for delivery.

63. Assignment and Subletting. The Tenant herein may not assign or sublet this Lease without the written consent of the Landlord which consent shall not be unreasonably withheld. Tenant shall provide Landlord with financial information, business background, and other reasonable information which shall be material to the Landlord's decision herein. No assignment or sublet without consent shall be effective without the Landlord's written consent and not binding unless consent to the assignment or sublet in writing has been signed by all the parties and delivered to the Landlord. No sublet shall be for less rental as set forth herein and no assignment or sublet shall release the Tenant from its liability under the Lease. No consent to the assignment or sublet shall release the

parties from complying with the provisions herein which shall apply in each instance of assignment or sublet. The assignee of this Lease must assume all the obligations hereof in the Tenant to be a valid assignment of this Lease. The criteria for Landlord determining as to whether consent to an assignment or sublet shall be approved, shall be as follows: Proposed assignee or sublessee must (a) possess sufficient business experience in the business to be operated in the premises (b) possess sufficient assets for the business to be operated in the demised premises; (c) possess a good moral character and reputation; and (d) possess a net worth equivalent or better than Tenant and guarantor possess at the time of lease execution or assignment, whichever greater. Any transfer of more than twenty-five (25%) percent of the stock ownership of the Tenant corporation shall be deemed an assignment for the purposes of this Lease. Any assignment of the Lease shall be also on the condition that such assignee make an additional deposit of one (1) month's security, which shall be held in accordance with the security provisions of Section 15.

64. Alterations. Tenant shall make no alterations or changes in and to the demised premises without receiving express written consent of the Landlord, which consent shall not be unreasonably withheld. It is further understood that Tenant will make no changes or alterations without submitting a proposal and plans to the Landlord prior to the commencement of any work or prior to the submission to municipal authorities for approval thereby to the Landlord for the Landlord's consent. Sufficient plans, drawings and backup material shall be simultaneously submitted with the request or consent but no such plans, changes or alterations will be approved in the event the Landlord, in his judgment, deems such changes to depreciate the value of the building or of such a nature so as to materially or affect the use of the demised premises or the building for future rental purposes.

65. Occupancy Prior to Lease Commencement. The Landlord acknowledges that the Tenant is required to fix up, decorate, etc. the demised premises prior to the commencement of the term and Landlord consents to the Tenant occupying prior to Lease commencement on all the same terms and conditions contained in the Lease except that there shall not be any payment of rent or additional rent for the period from the date of occupancy on or about March 15th, 2002 to March 31st, 2002.

66. Signs. Subject to the Landlord's approval, which approval shall not be unreasonably withheld, the Tenant shall be authorized to erect one (1) sign in conjunction with its business on the front portion of the building. All permits, approvals, and fees shall be the obligation of the Tenant and notwithstanding the inclusion of the within paragraph, the Landlord makes no representation that the municipal governing authorities will approve and/or permit any such signs.

67. Parking. The Tenant shall be entitled to use fifty (50%) percent of the parking field adjoining the premises to the south, which spaces shall be used in common with the Landlord, its agents, assignees or designees. The parking shall be on a non-exclusive basis. Landlord reserves the right to separate and set forth designated parking areas.

68. Sprinklers. If there now is or shall be installed in the Building a "sprinkler system" and such system or any of its appliances shall be damaged or injured, or not in proper working order by reason of any act or omission of Tenant, or Tenant's agents, servants, employees, licensees or visitors, Tenant shall forthwith restore the same to good working condition at its own expense; and if the Board of Fire Underwriters or any bureau, department or official of the state or city government having jurisdiction shall require or recommend that any changes, modifications, alterations or additional sprinkler heads or other equipment be made or supplied by reason of Tenant's business, or the location of partition, trade fixtures, or other contents of the Demised Premises, or for any

such changes, modifications, alterations, additional sprinkler heads or other equipment become necessary to prevent the imposition of a penalty or charge against the full allowance for a sprinkler system in the fire insurance rate as fixed by said Board, or by any Fire Insurance Company, Tenant shall, at Tenant's expense, promptly make and supply such changes, modifications, alterations, additional sprinkler heads or other equipment. The Tenant shall be only be responsible to install new sprinkler system if such requirement is as a result of the Tenant's use of the premises other than normal office medical use.

LANDLORD:

200 FRANK ROAD LLC

By member

TENANT

ADVANCED MULTIMEDIA DEVICES, INC.

By
SAM TANG

RENT SCHEDULE "A"

Lease Year	Initial Term Annual	Monthly
First	$ 133,250 00	$ 11,104.17
Second	137,247 50	11,437.29
Third	141,384.92	11,780.41
Fourth	145,605.80	12,133.82
Fifth	149,974 03	12,497.83
Sixth	154,473 25	12,872.77
Seventh	159,107 44	13,258.95

JODEE PLASTICS INC.

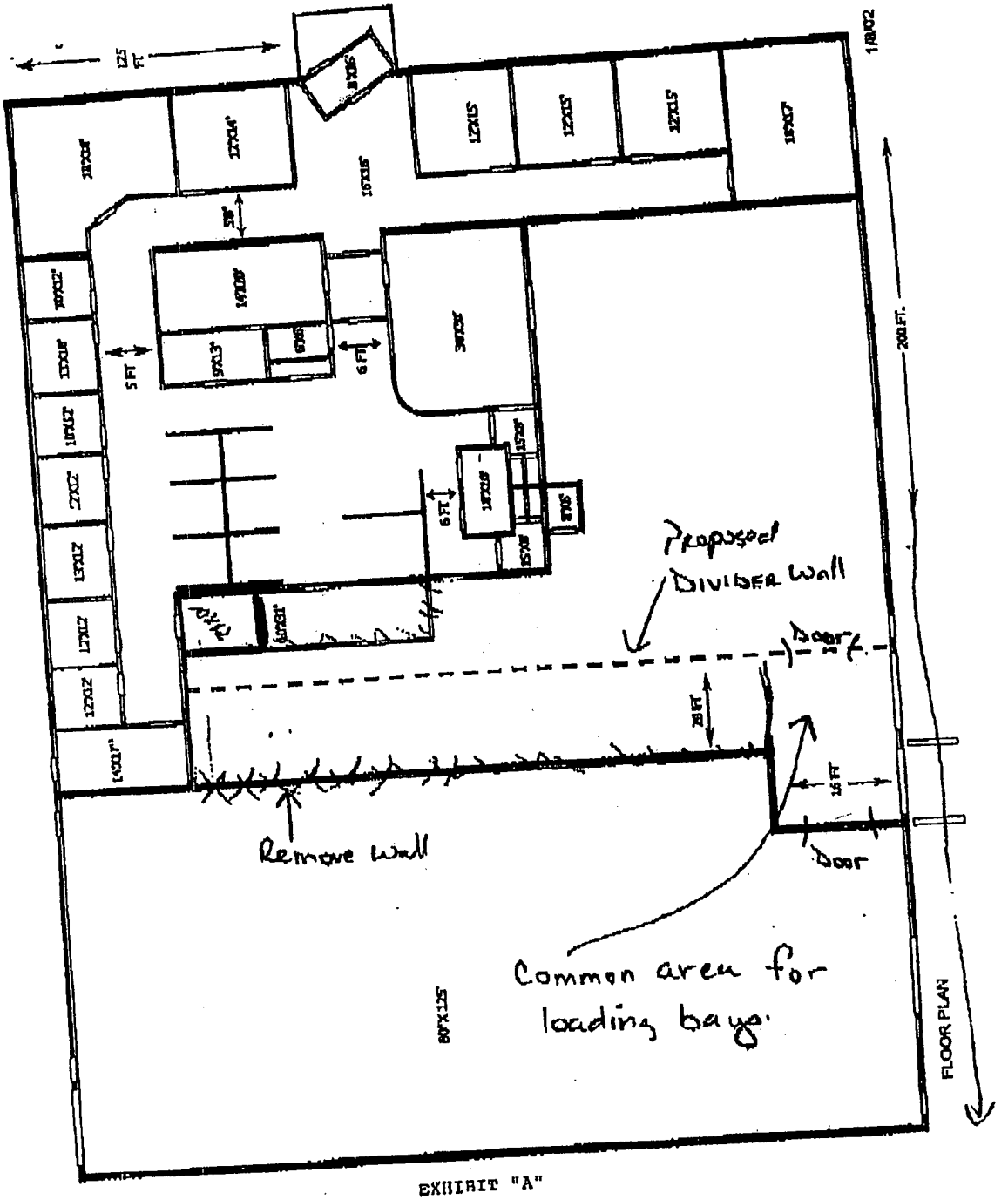


EXHIBIT "A"

GUARANTEE

FOR VALUE RECEIVED, and in consideration for, and as an inducement to 200 FRANK ROAD LLC, having its principal office at 100 Frank Road, Hicksville, New York 11801 ("Landlord"), making the Lease dated 2/13/02, 2002 with ADVANCED MULTIMEDIA DEVICES, INC. ("Tenant") for the premises located at 200 Frank Road, Hicksville, New York 11801, the undersigned guarantees to Landlord, Landlord's successors and assigns, the payment of all rent or additional rent without requiring any notice of non-payment, or proof, or notice or demand, whereby to charge the undersigned thereof, all of which the undersigned hereby expressly waives; and undersigned expressly agrees that the validity of this guaranty and the obligations of the guarantor hereunder shall in no wise be terminated, affected or impaired by reason of the assertion or non-assertion by Landlord against Tenant of any of the rights or remedies reserved to Landlord pursuant to the provisions of the within lease. As a further inducement to Landlord to make this lease and in consideration thereof, Landlord and the undersigned covenant and agree that in any action or proceeding brought by either Landlord or the undersigned against the other on any matters whatsoever arising out of, under, or by virtue of the terms of this lease or of this guaranty that Landlord and the undersigned shall and do hereby waive trial by jury.

ANYTHING HEREIN TO THE CONTRARY NOTWITHSTANDING, this guaranty shall not extend to any obligations incurred by Tenant under the lease after the* date the Tenant and anyone claiming through or under Tenant vacates the premises demised under this lease, removes all of its personal property therefrom and delivers vacant, legal possession of the demised premises to Landlord in accordance with the terms and conditions of the Lease. This guaranty does not modify the terms of the lease and nothing herein contained shall relive Tenant from any liability thereunder in accordance with the terms of this Lease. *third month after the

SAM TANG, Guarantor

STATE OF NEW YORK)
ss.:
COUNTY OF Queens)

On the 11 day of February, in the year 2002, before me, the undersigned personally appeared SAM TANG personally known to me or provided to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s) or the person upon behalf of which the individual(s) acted, executed the instrument.

RICHARD E. TANENBAUM
Notary Public, State of New York
No. 4860959
Qualified in New York County
Commission Expires May 5, 2002

JODEE PLASTICS INC.

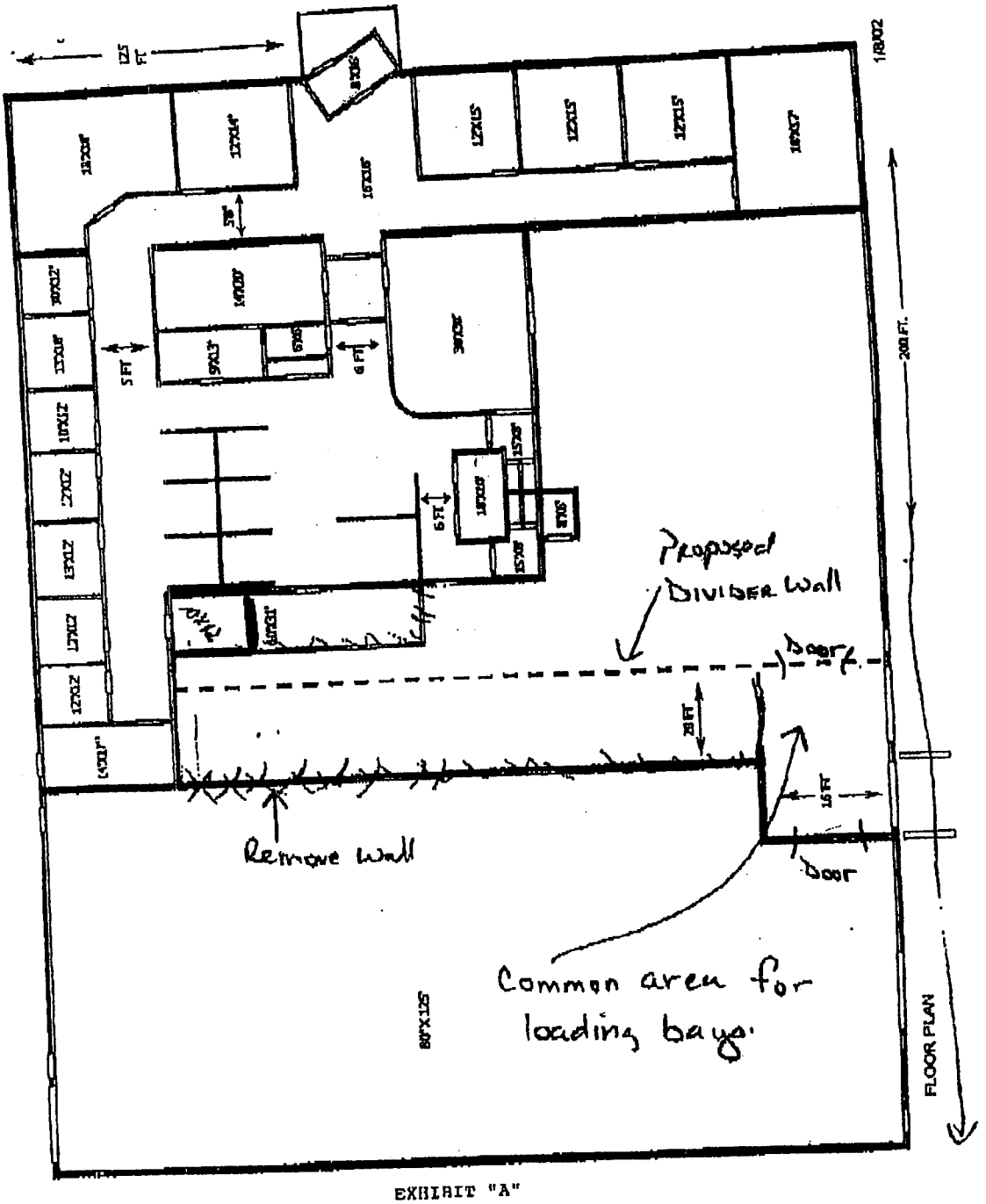


EXHIBIT "A"

GENERAL NOTES:

PLOT AREA	:	2.1479 ACRES [93,562.524±]
BUILDING AREA	:	25,000±
PARKING	:	

EXISTING

OFFICE AREA	:	8,100± ÷ (200±/CAR) =	40.5 CARS
PLANT AREA	:	16,900± ÷ (500±/CAR) =	33.8 CARS
REQ'D CARS	:		74.3 CARS

PROPOSED

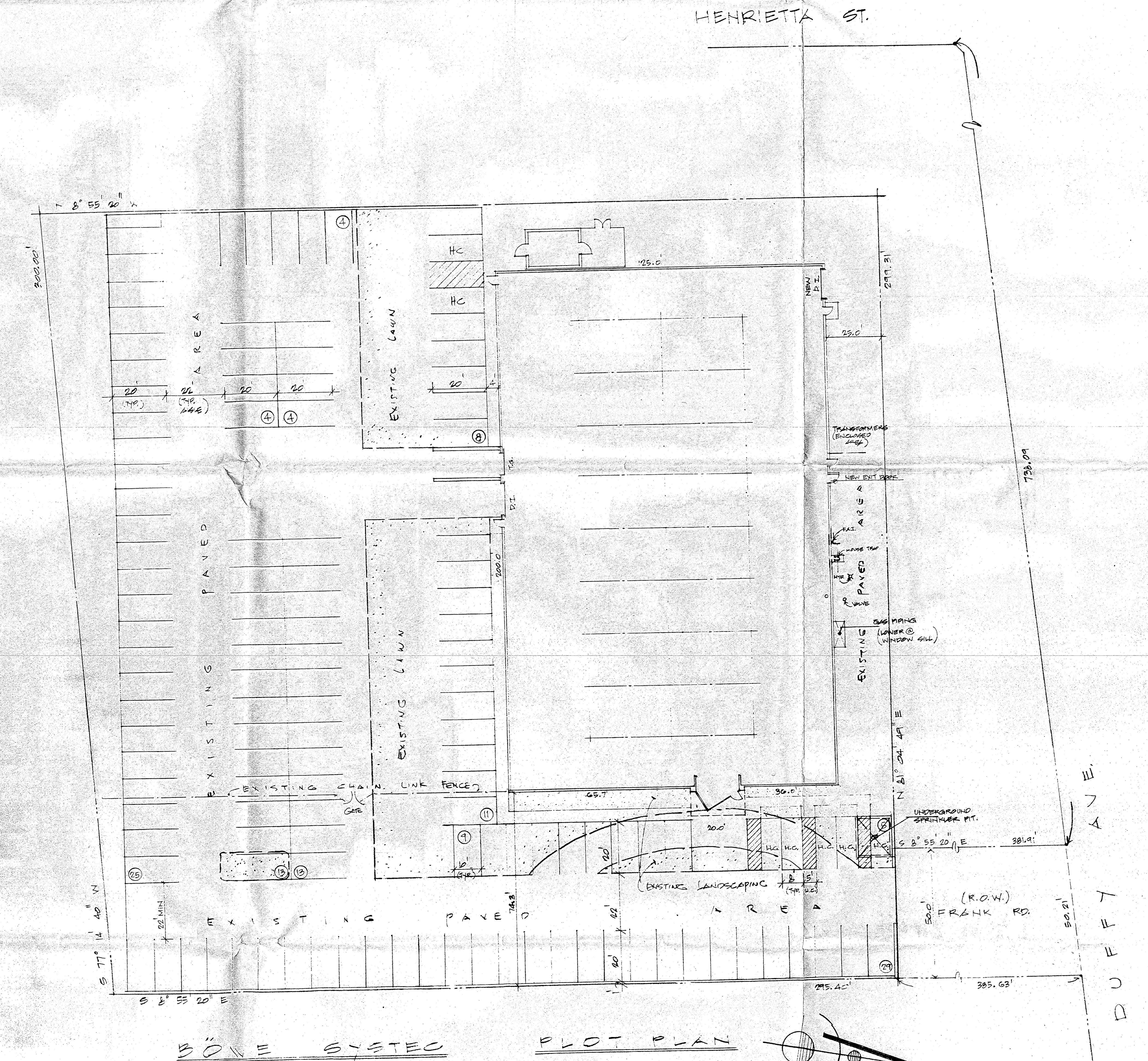
OFFICE AREA	:	8,000± ÷ (200±/CAR) =	40 CARS
PLANT AREA	:	17,000± ÷ (500±/CAR) =	34 CARS
REQ'D CARS	:		74 CARS
SUPPLIED CARS	:		125 CARS

BÖWE SYSTEC

OFFICES	:	6,000±
PLANT	:	12,700±
TOTAL	:	18,700±

BÖWE SYSTEC DIVISION

OFFICES	:	2,000±
PLANT	:	4,300±
TOTAL	:	6,300±



BÖWE SYSTEC PLOT PLAN

SCALE: 1" = 20'

0 5 10 20

NOTE
- PLOT IS SHOWN FOR MAX. PARKING AVAILABLE (COVERING ENTIRE PLOT) [125 CAR ±]
- EXISTING PAVED AREA & GRASSED, LANDSCAPED AREAS TO REMAIN "AS IS" CONDITION

No.	DATE	REVISIONS
	6.15.94	REV. PER OWNER & TENANT
	1.25.94	FILING

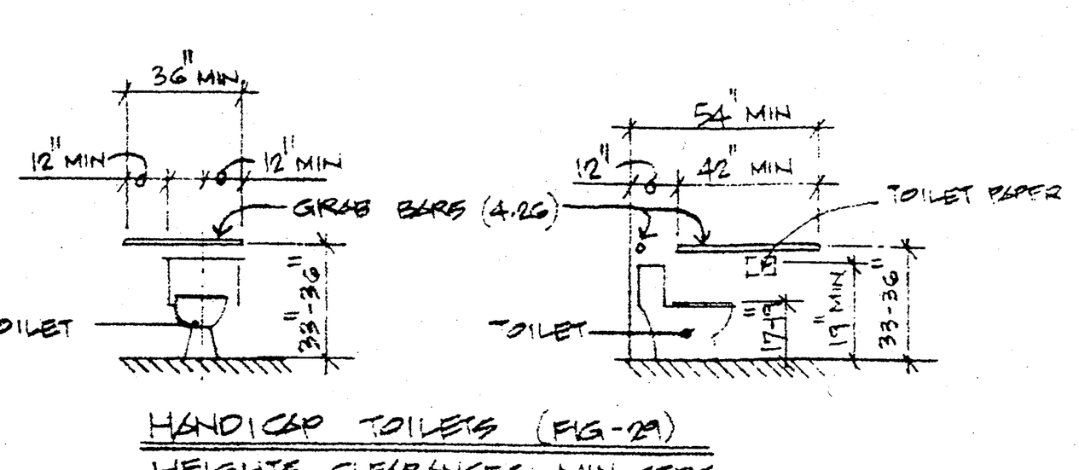
MATTHEW E. LAMBERT
ARCHITECTURE & ENGINEERING, P.C.
400 JERICHO TURNPIKE • JERICHO, N.Y. 11753 (516)681•0277

BÖWE SYSTEC
200 FRANK ROAD
HICKSVILLE, TOWN OF OYSTER BAY, NASSAU CO., NEW YORK

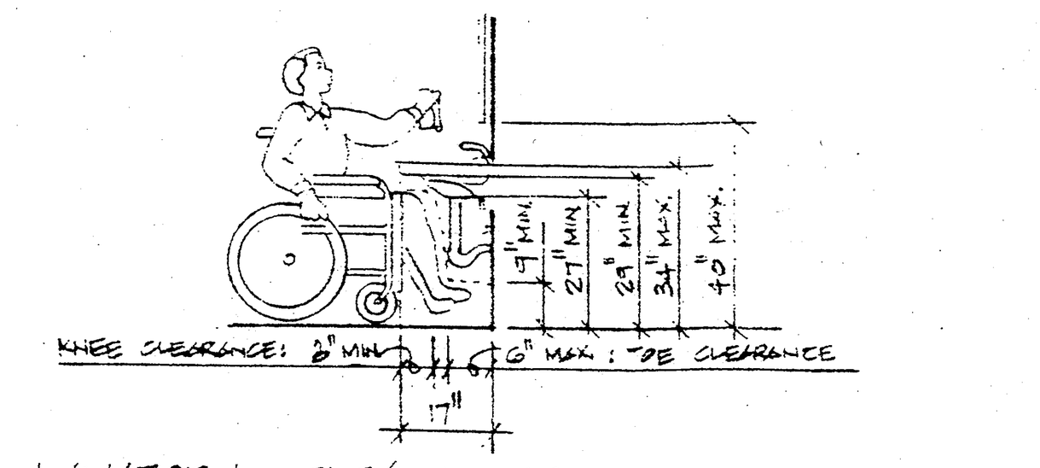
PLOT PLAN

TAX MAP No.

DWG. No. 1 OF 4 SHEETS



HANDICAP TOILETS (FIG-29)
HEIGHTS, CLEARANCES, MIN STDS.



LAVATORY CLEARANCES

ELECTRICAL LEGEND

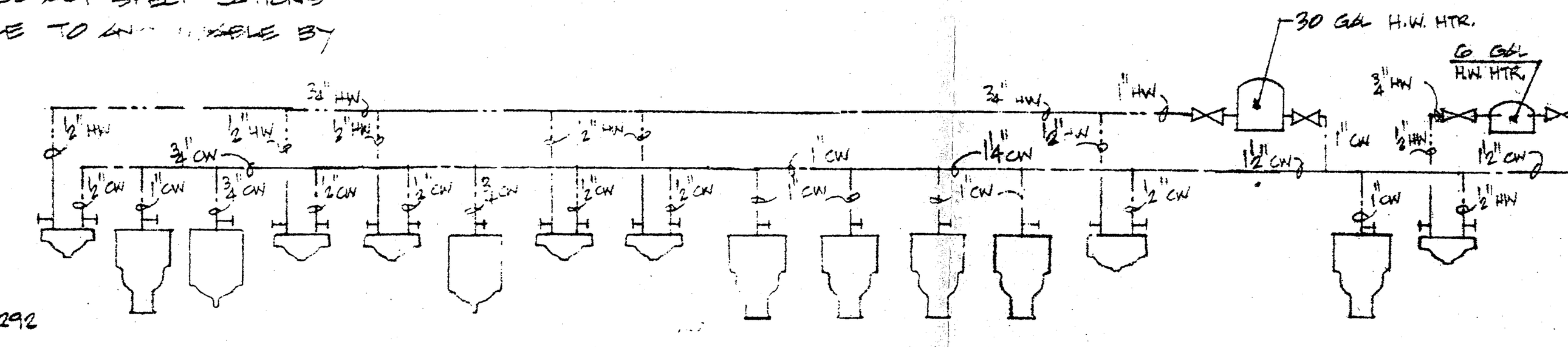
(symbol)	DUPLEX OUTLET (STANDARD HEIGHT)
GFI	GROUNDED OUTLET (46" A.F.F.)
(symbol)	SWITCH FOR LIGHTING, SINGLE POLE
(symbol)	SWITCH FOR LIGHTING, DOUBLE POLE
▷	DEDICATED OUTLET FOR COMPUTER
▶	TELEPHONE OUTLET
F ▶	FAX MACHINE OUTLET
⊙	FLOOR RECEPTACLE DUPLEX OUTLET
©	FLOOR RECP'TLE OUTLET DEDICATED FOR COMPUTER
Ⓣ	FLOOR RECP'TLE TELEPHONE OUTLET
— —	ELEC. CURRENT IN FURNITURE

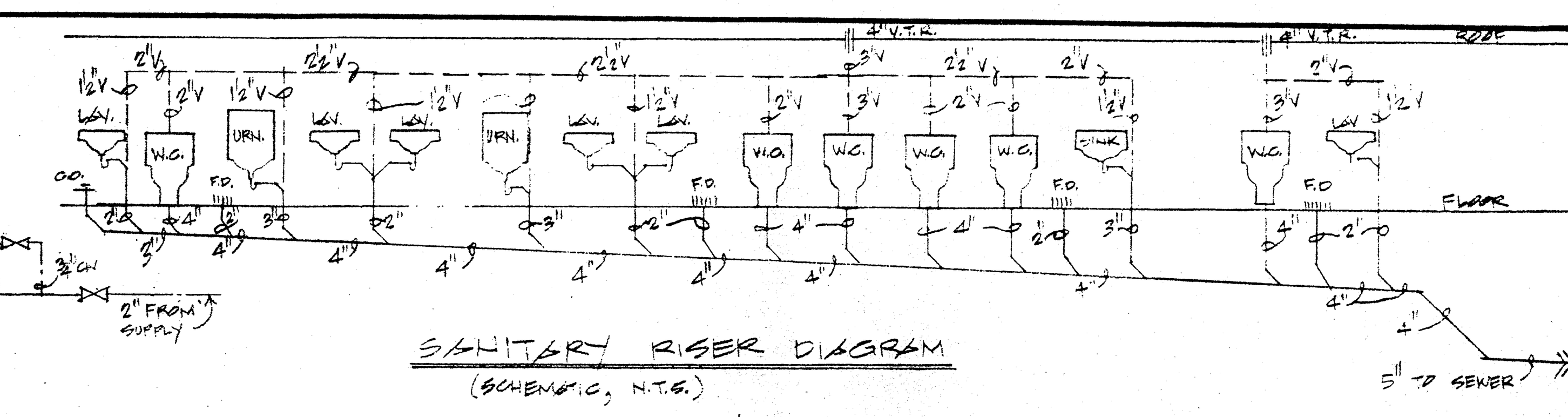
HANDICAP PLUMBING NOTE:

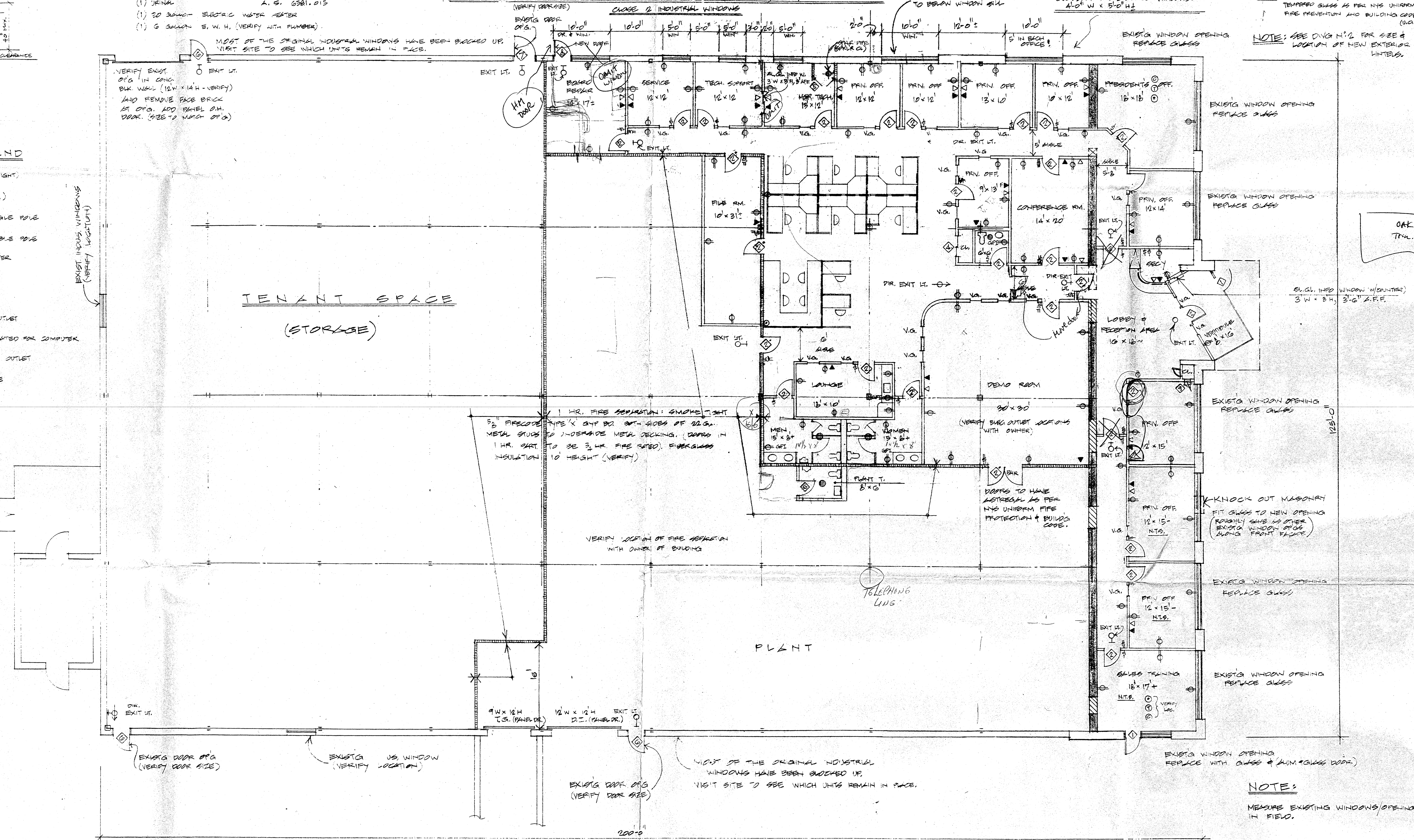
ALL HANDICAP PLUMBING ITEMS (& OTHER TOILET ROOM REQ'M'TS) SHALL CONFORM TO THE AMERICAN DISABILITIES ACT SPECIFICATIONS FOR MAKING BUILDINGS & FACILITIES ACCESSIBLE TO AND USABLE BY PHYSICALLY HANDICAPPED PEOPLE.

FIXTURE SCHEDULE

FIXTURE	MODEL No.
STAINLESS STEEL SINK [@ LOUNGE]	
(2) HANDICAP WATER CLOSETS "ELONGATED"	
(3) WATER CLOSETS "ELONGATED"	AMERICAN STANDARD 2292
(6) LAVATORIES	A.S. 3004.207
(1) URINAL	A.S. 6381.015
(1) 30 GALLON ELECTRIC WATER HEATER	
(1) 6 GALLON E.W.H. (VERIFY WITH PLUMBER)	







NOTE:

MEASURE EXISTING WINDOWS/OPENINGS IN FIELD.

FLOOR PLAN SCALE: 1/8"=1'-0"

DOOR NOTES:

◇• = 3/4 HR. FIRE RATED
◇•• = 1 1/2 HR. FIRE RATED

A) FIRE RATED DOORS TO BE SELF CLOSING.
B) GENERAL TOILET DOORS TO BE SELF CLOSING.
C) ALL DOORS IN LOBBIES ARE TO BE SELF CLOSING.
D) ALL EXIT DOORS ARE:
  a) TO BE SELF CLOSING.
  b) TO BE RATED PER PARTITION.
  c) HARDWARE TO MATCH ARCHITECTURAL FINISH AND FIRERATING.
  d) WOOD DOORS TO BE PAINT-STAIN GRADE BIRCH.
  e) BUCKS IN METAL DOORS TO BE 16 GA.
  f) BUCKS IN WOOD DOORS MAY BE PRE-HUNG METAL.
  g) FIRE DOORS TO HAVE BUCKS RATED PER DOOR.

DOOR SCHEDULE

DOOR	SIZE	MATERIALS	NOTES
1	3'-0" x 8'-0"	GLASS	HERCULITE
2	3'-0" x 7'-0"	SOLID CORE WOOD	
3	2'-0" x 7'-0"	SOLID CORE WOOD	
4	SLID'G DRS TO FIT 4' OP'G	HOLLOW CORE WOOD	
5	FOLD'G DRS TO FIT 3' OP'G ±	WOOD	
6	3'-0" x 7'-0"	HOLLOW METAL	{ALL EXIST'G EXTERIOR DOORS MUST BE MEASURED & VERIFIED IN FIELD BEFORE ORDERING!
7	3'-6" x 7'-0"	HOLLOW METAL	
8	3'-0" x 8'-0"	ALUM & GLASS	'I' LINE, LAVISTA OR EQUAL W/BLACK DURANODIC ALUM.
9	1'-0" x 7'-0"	SOLID CORE WOOD	

FINISH SCHEDULE:

WALLS: ALL GYP. BD. PARTITIONS TO BE PAINTED OR WALLCOVER (AS PER INTERIOR DESIGNER & OWNER)

CEILINGS: (OFFICES) EXPOSED GRID SUSPENDED ACOUSTICAL TILE [ARMSTRONG SECOND LOOK II OR EQUAL APPROVED BY THIS ARCHITECT/ENGINEER] CLASS 'A' - NON COMBUSTIBLE. CEILING AT +9'-0" (U.O.N.) HEIGHT IN FINISHED OFFICE AREAS. +8'-0" HEIGHT AT BATHROOMS

FLOOR: OFFICE AREA: CARPETING (AS PER OWNER). CERAMIC TILE FULL HEIGHT @ REST ROOMS. QUARRY TILE (OR APPROVED EQUAL) AT ENTRY.
PLANT AREA: EPOXY DECK PAINT

INTERIOR FINISHES: (PER PART 772 NYS UNIFORM FIRE PREVENTION & BLDG. CODE)

1. CLASS C FINISH [FLAME SPREAD RATING 76-200] FOR ALL AREAS EXCEPT EXITS, CORRIDORS, KITCHEN TO BE CLASS B [FLAME SPREAD RATING 26-75] UNLESS SPRINKLER SYSTEM USED, THEN ALL AREAS MAY BE CLASS C.
2. EXITS AND THEIR CORRIDORS TO BE CLASS 1 FLOOR (AS DEFINED BY 772.32 CLASSIFICATIONS). ALL OTHERS TO BE CLASS 2. COMBUSTIBLE MATERIAL MAY BE USED IN NON-HAZARDOUS AREAS BUT MUST BE MOUNTED TO NON-COMBUSTIBLE MATERIAL.
3. ALL FINISH MATERIAL AS A GENERAL GUIDE SHALL BE OF A TYPE NOT TO GIVE OFF OBNOXIOUS SMOKE, GAS OR TOXIC FUMES NOT NORMALLY GIVEN OFF BY SIMPLE BURNING OF NON-TREATED WOOD OR PAPER.

ON LINE 939 2527

LEGEND: WALLS

- ADD WALL. FUR OUT WALL WITH 20 GA. METAL STUDS TO MATCH PROPOSED CONSTRUCTION AT EXISTING MASONRY BEARING WALL LOCATIONS.
- ~~NEW CONC. BLK. WALL [AIRLOCK IN PLANT]~~
- 1/2" GREYLITE TEMPERED OR SAFETY GLASS AS PER NYS UNIFORM BUILDING & CONSTRUCTION CODE.
- FLOOR DRAINS @ BATHROOMS
- INTERIOR PARTITIONS: 3 5/8", 25 GA. METAL STUDS WITH (1) LAYER OF 5/8" FIRECODE 'X' GYP. BD. ON EACH SIDE OF STUD. STUDS TO BE 24" O.C., 9 FT. A.F.F.
- 1 HR. FIRE SEPARATION: (1) LAYER OF 5/8" FIRECODE 'X' GYP. BD. ON EACH SIDE OF 6", 20 GA. METAL STUDS, 24" O.C. TO UNDERSIDE STEEL DECK. (DOORS IN 1 HR. PART. TO BE 3/4 HR. FIRE RATED). INSULATION TO BE 10 FT. HEIGHT (VERIFY).
- EXISTING MASONRY BEARING WALL: 5/8" FIRECODE 'X' GYP. BD. ON FURRING. PLACE FURRING ON BOTH SIDES OF WALL. GYP. BD. & FURRING TO BE 9 FT. A.F.F.
- REMOVE EXISTING MASONRY BEARING WALL: TO CREATE OPENINGS. HEIGHT OF OPENINGS TO BE 11 FT. A.F.F. ± (2 FT. ± ABOVE CEILING HEIGHT). (VERIFY IN FIELD).
  LINTELS @ MASONRY BEARING WALL: W 8x15; PL 1/4 x 8". LENGTH OF LINTEL TO BE 3' ± LONGER THAN OPENING.

No.	DATE	REVISIONS
	7-14-94	REV. PER OWNER'S INSTRUCTIONS
	6-15-94	REV. PER OWNER & TENANT
	4-4-94	REV. EXTERIOR
	3-23-94	REV. PLAN, ADDED ELEC. (TOM SCHAD)
	1-25-94	FILING
	12/7/93	

CONTRACT DWGS 8/4/94 8/4/94

MATTHEW E. LAMBERT
ARCHITECTURE & ENGINEERING, P.C.
400 JERICHO TURNPIKE • JERICHO, N.Y. 11753 (516)681•0277

BÖWE SYSTEC
200 FRANK ROAD
HICKSVILLE, TOWN OF OYSTER BAY, NASSAU CO., NEW YORK
FLOOR PLAN

TAX MAP No.

DWG. No. 3 OF 5 SHEETS

QUESTIONS 6-10

FARRELL FRITZ, P.C.

EAB Plaza
Uniondale, New York 11556-0120
PHONE: (516) 227-0700
FACSIMILE: (516) 227-0777
www.farrellfritz.com

300 Broad Hollow Road
Melville, NY 11747
Phone: (631) 547-8500
Fax: (631) 547-0501

2488 Montauk Highway
P.O. Box 1670
Bridgehampton, NY 11932
Phone: (631) 537-3100
Fax: (631) 537-5019

May 10, 2004

CHARLOTTE BIBLOW
PARTNER
DIRECT DIAL: (516) 227-0686
DIRECT FAX: (516) 336-2266
cbiblow@farrellfritz.com

OUR FILE NUMBER
16496-100

John R. Lynch, Esq.
Lynch & Mule, LLP
200 Old Country Road
Suite 310
Mineola, NY 11501

Re: ***200 Frank Road - NYSDEC Site # 130048***

Dear Mr. Lynch:

This is sent in response to your letter of May 7, 2004. Enclosed you will find a copy of a letter from the New York State Department of Environmental Conservation, dated February 26, 2004, officially delisting the 200 Frank Road property.

Let me know if you have any other questions.

Very truly yours,

Charlotte Biblow

CB:ja
Enclosure

cc: Thomas Schad

FFD(X:\SIS7YD11.01

New York State Department of Environmental Conservation

Division of Environmental Remediation

Bureau of Technical Support, 11th Floor
625 Broadway, Albany, New York 12233-7020

Phone: (518) 402-9553 · FAX: (518) 402-9577

Website: www.dec.state.ny.us

February 26, 2004

Bowe Systec, Inc.
60 Adams Avenue
Hauppauge, New York 11788

Re: NYSDEC Registry Site 130048
Bowe Systems & Machinery
200 Frank Road, Hicksville, NY 11801

Dear Sir/Madam:

The 60 day notification period and inclusive 30 day public comment period have ended. These requirements were established for the proposed deletion of sites from the New York State Registry of Inactive Hazardous Waste Disposal Sites (the Registry).

This letter serves as your official notification that the subject site has been deleted from the *Registry* and that the deletion became effective on the date marked above.

If you have any questions relative to this matter or wish to review any associated documents in the repository, please contact Mr. Jamie Ascher / NYSDEC-Region 1 / Division of Environmental Remediation / SUNY Campus / Loop Road - Building 40 / Stony Brook / NY 11790-2356 / (631) 444-0240.

Sincerely,

Kelly A. Bologna

Kelly A. Bologna
Chief
Site Control Section

cc: D. Desnoyers
J. Ascher, R/1
C. Vasudevan
K. Bologna
R. Dana
G. Litwin
L. Ennist
W. Parish, R/1
J. Pavacic, R/1
K. Murphy, R/1

BÖWE SYSTEC

Finance

Phone: (516) 822-7575

Fax: (516) 822-1666

27 July, 2000

Mr. James Meglino
Jodee Plastics Inc.
100 Frank Road
Hicksville, NY 11802

Re: 200 Frank Road Groundwater Monitoring

Dear Jim,

Attached for your information are the results of the first quarter monitoring of the groundwater. As you can see from the report, the results continue to show a favorable trend of the reduction in perc.

The next quarterly sampling is scheduled for September.

Sincerely,

Thomas Schad
Director of Finance and Administration

H2M GROUP
Holzmacher, McLendon & Murrell, P.C. • H2M Associates, Inc.
H2M Construction Management, Inc. • H2M Labs, Inc.

ACEC Member
Supporting Excellence in Engineering

575 Broad Hollow Road, Melville, NY 11747-5076
(516) 756-8000 • Fax: (516) 694-4122

July 25, 2000

Mr. Jamie Ascher
NYSDEC, Region I
SUNY, Bldg. 40
Stony Brook, NY 11790-2356

Re: Bowe Systec
Site No. 1-30-048
Order on Consent Index No. W1-0587-99-10
Groundwater Monitoring

Dear Mr. Ascher:

On behalf of Bowe Systec Inc. (Bowe), and pursuant to the terms and conditions of the above referenced Order on Consent, we submit herein the results of the first quarterly groundwater monitoring event.

In accordance with the NYSDEC-approved Groundwater Monitoring Plan, quarterly sampling was to be conducted from eight monitoring wells, including two on-site upgradient wells (MW-1 and MW-8), five on-site downgradient wells (MW-3, MW-4, MW-5, MW-6 and MW-7) and one off-site downgradient well (OW-1). Upon arriving at the site on June 1, 2000 and inspecting the monitoring wells, MW-1 was found to be dry, MW-4 had been paved over and MW-7 was covered by a large air freight container.

Prior to sampling and immediately following the removal of each well cap, a photoionization detector (PID) was used to screen the head space of each well for total organic vapors. No significant organic vapors above background concentrations were detected. Static water level and well depth measurements to the nearest hundredth (0.01) of a foot were obtained from each well to determine the standing water volume.

To ensure that a representative groundwater sample was collected from each monitoring well, a minimum of three well volumes were purged prior to sampling. Purging was accomplished using a submersible pump. The submersible pump was decontaminated with a non-phosphate cleanser and distilled water between each well. Temperature, pH, and conductivity were measured and recorded after each well was purged.

After the wells were purged, a dedicated, disposable, polyethylene bailer affixed to dedicated polypropylene rope was lowered into the water column to collect a groundwater sample from each well. An equipment blank (field blank) was collected during the sampling to ensure that the sampling equipment was properly decontaminated and that cross contamination between wells

Topaz Abstract Corporation
Agent for
First American Title Insurance Company of New York
370 Old Country Road, Garden City, N.Y. 11530
(516) 742-8840 • Fax (516) 294-5227

January 27, 2000

John R. Lynch, Esq.
200 Old Country Road
Suite 310
Mineola, New York 11501

Re: Title No. Topaz 26347
Premises: 200 Frank Road
Hicksville, New York
BOWE SYSTEC, INC. to 200 FRANK RD. LLC w/ State Bank

Dear Mr. Lynch:

In connection with the above captioned title, please Add Objection No. 21 to read as follows:

OBJECTION NO. 21: FOR INFORMATION ONLY: NOT FOR POLICY:
An open building permit No. C3486 issued 8/30/66 for a compressor building pertains to a structure which does not exist at the premises.

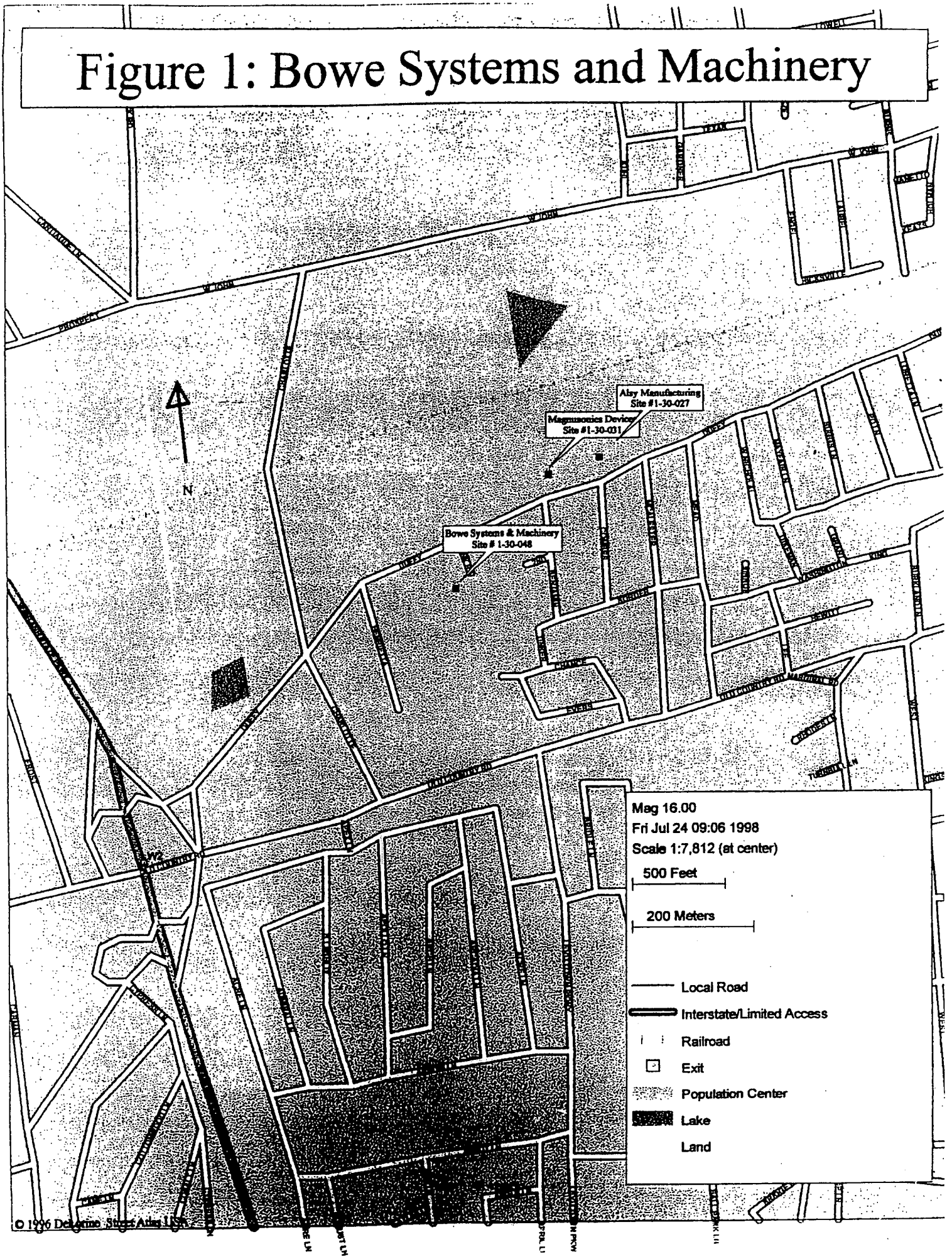
Kindly annex this letter to the title report already in your possession and consider the same a part thereof.

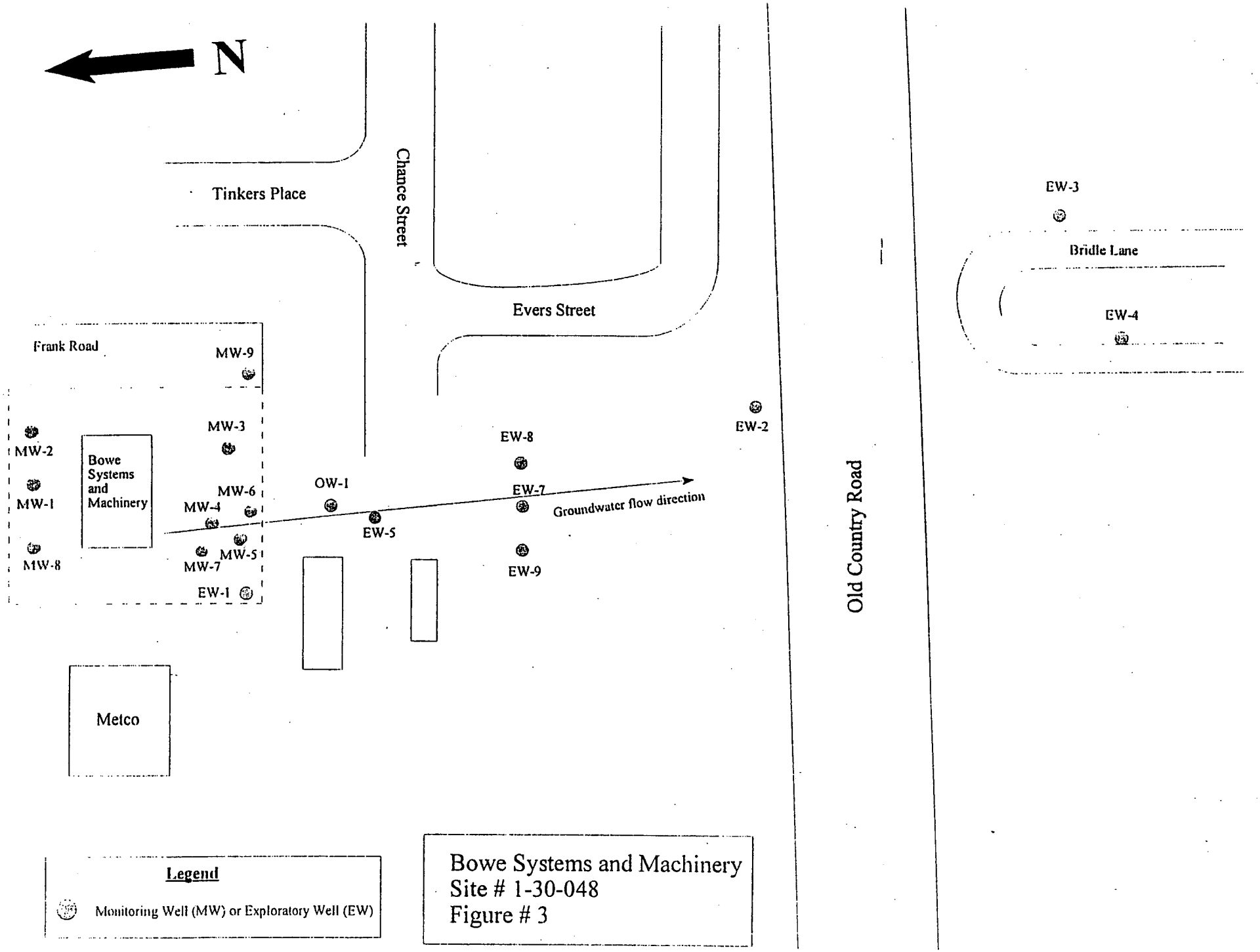
Very truly yours,

Thomas E. Gaffney
for the Company

TEG/ca

Figure 1: Bowe Systems and Machinery




N
Tinkers Place
Chance Street
Evers Street
Frank Road
MW-9
MW-2
MW-3
Bowe Systems and Machinery
MW-1
MW-6
MW-4
MW-8
MW-7
MW-5
EW-1
OW-1
EW-5
EW-8
EW-7
EW-9
EW-2
Groundwater flow direction
Old Country Road
EW-3
Bridle Lane
EW-4
Metco
Legend
Monitoring Well (MW) or Exploratory Well (EW)
Bowe Systems and Machinery
Site # 1-30-048
Figure # 3

New York State Department of Environmental Conservation
Division of Environmental Remediation
Remedial Bureau A
625 Broadway, 11th Floor
Albany, New York 12233-7015
Phone: (518) 402-9625 • **Fax:** (518) 402-9022
Website: www.dec.state.ny.us

Denise M. Sheehan
Commissioner

Certified Mail
Return Receipt Requested

April 6, 2006

Nanoia Recycling Equipment Corp.
Mr. Frederick P. Von Bargen
200 Frank Road
Hicksville, NY 11801

Re: Soil Vapor Intrusion Evaluation
Bowe Systems & Machinery
Site #1-30-048

Dear Mr. Von Bargen:

As you may be aware, the New York State Department of Environmental Conservation, (NYSDEC) in consultation with the New York State Department of Health (NYSDOH), collectively referred to as the "Agencies", recently developed a strategy for "Evaluating the Potential for Vapor Intrusion at Past, Current and Future Sites" in the State of New York (http://www.dec.state.ny.us/website/der/vaporstrat.pdf). The strategy describes the process by which the agencies will prioritize remedial sites for further soil vapor intrusion evaluations. One element of the strategy involves evaluation of the soil vapor intrusion pathway at sites where the Agencies previously selected a remedy to address site-related hazardous waste contamination.

Although the Agencies may have already evaluated the soil gas pathway at a site as part of a previous remedial program, improvements in analytical techniques and knowledge gained from site investigations in New York and other states have led to an increased awareness of soil vapor as a medium of concern and of the potential for exposures from the vapor intrusion pathway. Based on this additional information, New York is currently re-evaluating previous assumptions and decisions regarding the potential for vapor intrusion exposures at sites. The result is that additional work may be required to investigate and/or remediate sites that are in the operational or monitoring phase or are closed.

At each such site, the process of conducting a vapor intrusion evaluation will begin with a review of the historical data. In some cases, there may be sufficient historical data to evaluate the vapor intrusion pathway without further investigation. At sites where it is determined that further investigation is required, it may be necessary to collect any or all of the following samples: groundwater, soil vapor, sub-slab vapor, and indoor and outdoor air. Based on the Agencies review of the historical data for this site, the Agencies are requesting your participation in conducting a soil vapor intrusion evaluation at the above mentioned site.

Should you decide to participate and conduct a vapor intrusion evaluation of the site, the Agencies will work with you to determine how to proceed with the evaluation. Should you decide that you will not participate in conducting a vapor intrusion evaluation at the site, the Agencies will proceed with the evaluation and may subsequently seek to recover the costs incurred as part of that evaluation where appropriate and authorized by law.

The State has developed "Guidance for Evaluating Soil Vapor Intrusion in the State of New York" which provides detailed information about soil vapor intrusion. The document is available for viewing or download at the New York State Department of Health website (http://www.health.state.ny.us/nysdoh/gas/svi_guidance/index.htm).

Please respond to this request for participation, by May 8, 2006, whether or not you decide to participate. Please direct your response to Brian Jankauskas at the address provided within the letterhead. Should you have any questions regarding this issue, please call Mr. Jankauskas at (518) 402-9620. We appreciate your cooperation.

Sincerely,

Chittibabu Vasudevan, Ph.D., P.E.
Director, Remedial Bureau A
Division of Environmental Remediation

ec: Rich Fedigan, DOH
John Swartwout
Brian Jankauskas
Robert Knizek
William Wertz

200 Frank Road Realty Corp.
200 Frank Road
Hicksville, New York 11801

April 10,2006

Mr. Brian Jankauskas, P.E.
Environmental Engineer1
Remedial Bureau A
625 Broadway, 11 Floor
Albany, New York 12233-7015

Dear Mr. Jankauskas,

I am in receipt of the letter-requesting co-operation in a soil vapor intrusion study of the property currently owned by 200 Frank Road Realty Corp. and occupied by Nanoia Recycling Equipment, Inc.

As discussed during your visit 200 Frank Road Realty Corp. recently purchased the property (December 18,2004) from Jodee Plastics. While I was made aware of the previous contamination during the contract negoations and subsequent sale I was assured that the matter had been satisfactorily resolved. I also received a letter from the State DEC delisting the property, which was in fact a condition of contract.

You have now requested my "participation"in conducting a soil vapor evaluation study. You briefly explained what such participation entailed in physical terms but not financial ones.

Please understand that while I am now extremely concerned over the future of this property and the financial implications related to prior pollution it is not possible for me at this time to answer affirmatively without a full and complete understanding of the total financial liability I would be committing my company to. I do not at this time have the financial resources to undertake anything but limited projects such as roof and parking lot repairs

I stand ready to permit reasonable access to the property and to provide any logistical support I have at my disposal to anyone who is to conduct such a study.

I stand ready and willing to meet with you or any anyone concerning this matter.

I also wish to refrain from engaging council at this time as I feel it is an unnecessary expense, which can be avoided by co-operation between the DEC and myself.

I would also like to tell you that I downloaded the web site you referenced in your letter in an attempt to learn more about soil vapor intrusion. To me it seems as if the site was more informative concerning methods to block soil vapor intrusion from entering a building rather that evaluating the existence of vapors within the soil.

You have my phone number and I stand ready to assist in any way reasonable.

Very Truly Yours

Frederick P. von Bargen
President

+

PUBLIC MEETING INVITATION

Subject: **Bowe Systems and Machinery Site**
NYSDEC Site No. 1-30-048
Remedial Investigation Results
Proposed Remedial Action Plan

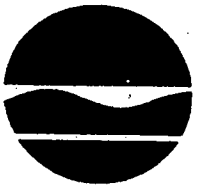
Where: **Hicksville Middle School**
215 Jerusalem Avenue
Hicksville, NY 11801

When: **February 3, 1999**

You are invited to a public, informational meeting to discuss the results of a Remedial Investigation and the Proposed Remedial Action Plan (PRAP) for the Bowe Systems and Machinery Inactive Hazardous Waste Site located at 200 Frank Road, in Hicksville, Nassau County, New York. At the meeting, representatives from the New York State Department of Environmental Conservation (NYSDEC), the New York State Department of Health (NYSDOH) and the Nassau County Department of Health (NCDH) will present information, answer questions and receive comments.

Information on the Bowe Systems and Machinery Site, including previous investigations and remedial actions, and the PRAP is provided in the attached Fact Sheet. The Fact Sheet also discusses the measures designed and implemented, through Public Participation, to keep the pubic informed and involved, and to receive comments.

New York State Department of Environmental Conservation
Building 40 - SUNY, Stony Brook, New York 11790-2356
Division of Environmental Remediation
Telephone: (516) 444-0240
Facsimile: (516) 444-0248



John P. Cahill
Commissioner

PUBLIC MEETING AGENDA

Bowe Systems and Machinery Site (#1-30-070)
February 3, 1999, 7:00 p.m.

Purpose of Meeting, Overview of Remedial Program
Robert Becherer, NYSDEC, Regional Hazardous Waste Engineer

Role of New York State Department of Health
Joseph Crua, NYSDOH, Assistant Sanitary Engineer

Public Drinking Water and Testing
John Lovejoy, Nassau County Department of Health

Investigative History and Remedial Actions undertaken at the site
Gary Miller, H2M Group

Questions, Answers and Comments

Closing Remarks
Robert Becherer

Thank you for attending and please sign our sign-in sheet!

FACT SHEET

BOWE SYSTEMS AND MACHINERY SITE (NYSDEC SITE NO. 1-30-048)

SITE LOCATION

As mentioned in the Meeting Invitation, the Bowe Systems and Machinery Site is located at 200 Frank Road, in Hicksville, the Town of Oyster Bay, New York. The site is located at the foot of Frank Road, just south of Duffy Avenue (see attached site location map).

SITE BACKGROUND AND HISTORY

Bowe Systec, Inc. (Bowe) presently owns the Bowe Systems and Machinery Site property. In the late 1980s and into the early 1990s, two tenants, Bowe and a sister company, American Permac, occupied the facility. Bowe sells automated mail/letter processing equipment. American Permac was in the business of importing, assembling and testing commercial dry cleaning equipment. Tetrachloroethylene (PCE) was used by American Permac in the course of testing the dry cleaning equipment.

In 1989, approximately 10 to 15 gallons of PCE were spilled on the facility floor and into the building's floor drain system, which discharges on-site into a series of interconnected leaching pools. An environmental assessment performed in response to the spill revealed elevated concentrations of PCE in the soils beneath three on-site leaching pools (DW-1, 2 and 3) and in the underlying groundwater. In October 1991, the site was listed in the New York State Registry of Inactive Hazardous Waste Disposal Sites as a Class 2 Site. In August 1992, a Site Screening Investigation was conducted to evaluate four areas of potential concern. In September 1992, Bowe entered into an Order on Consent with the NYSDEC requiring that a Remedial Investigation Feasibility Study (RI/FS) be conducted. An RI determines the nature and extent of contamination associated with a site. An FS identifies and evaluates various alternatives for remediating the site.

REMEDIAL INVESTIGATION

The RI for the Bowe site was conducted in two phases beginning in September 1992. The purpose of the Phase I RI was to determine the nature and extent of contamination in the soils and underlying groundwater on site. The Phase II RI examined potential impacts to groundwater downgradient of the site. During the Phase I RI, eleven soil borings were conducted in and around the four areas of potential concern, with nineteen soil samples analyzed for volatile organic compounds (VOCs), semi-volatile organic compounds (SVOC), pesticides, PCBs and heavy metals. Over the course of the RI, five rounds of groundwater sampling were conducted using eight on-site monitoring wells. During the Phase II RI, seven temporary wells and one permanent off-site well were installed downgradient of the site in the direction of groundwater flow (toward the south-southeast) and sampled for VOCs. Results of the RI are presented in the Remedial Investigation Feasibility Study (RI/FS) Report dated November 1998, which is available in the document repositories (see the Citizens Participation section for the location of the repositories).

INTERIM REMEDIAL MEASURES

At any time, an Interim Remedial Measure (IRM) may be conducted to address relatively specific and/or obvious aspects of contamination at a site. Upon discovering the extent of contamination caused by the PCE spill, approximately 450 tons of contaminated soils were excavated from around and beneath the three impacted leaching pools (Area 1). Subsequent to the Site Screening Investigation, but prior to the RI, additional IRMs were undertaken at the Bowe site, including: the removal of 6 cubic yards (8 tons) of impacted bottom sediments and soils from a truck bay storm drain (Area 2); the removal of 27 cubic yards (38 tons) of impacted soils from the former spray booth area (Area 3); and the removal of 3,000 gallons of liquid and 6 cubic yards (8 tons) of impacted bottom sediments and soils from the sanitary septic tank and leaching pool (Area 4). The facility was subsequently connected to the municipal sewer system,

and the sanitary septic system was formally closed. All IRMs were conducted with oversight provided by the NYSDEC.

HEALTH ASSESSMENT

The potential pathways of exposure of concern at the Bowe Systems and Machine site include the ingestion of contaminated groundwater and contact with contaminated soil. Volatile organic compounds (VOCs) associated with the site have been detected in on-site groundwater and subsurface soil, and in off-site groundwater monitoring wells.

The potential for exposure to site related contamination in soil has been significantly reduced since all areas of soil contamination identified during the site investigations have been excavated and removed off-site. Residual soil contamination is located subsurface, thus limiting the possibility of contact with on-site soil. Additionally, residual soil contamination is below the recommended soil cleanup levels and does not pose a threat to human health or the environment.

Exposure to site-related contaminants in drinking water is not expected since homes and businesses near the site are connected to pubic water. Public water supplies are sampled on a quarterly basis and must meet New York State Department of Health (NYSDOH) drinking water standards. The nearest public water supply wells are located approximately 4,000 feet downgradient from the site and are owned and operated by the Hicksville Water District. Since VOCs unrelated to the Bowe site have been detected in the Water District's water supply wells, wellhead treatment is necessary in order to meet NYSDOH standards.

The excavation and removal of contaminated soil from the Bowe Systems and Machinery site have significantly reduced the level of site-related VOCs in the groundwater. Although chemicals from the site are not expected to reach the Hicksville public drinking water wells in

significant quantities, the treatment system currently operating on the well is adequate to eliminate any site-related contamination that may reach the water supply.

THE PROPOSED AND OTHER REMEDIAL ALTERNATIVES

Remedial objectives are established with the goal of meeting all Standards, Criteria and Guidance values (SCGs) and protecting human health and the environment. The remedial objectives for the Bowe site are to eliminate impacts of site-related groundwater contamination and provide for the attainment of SCGs for groundwater quality, as feasible.

Three remedial alternatives have been identified for the site. Alternative 2, Pump and Treat, was evaluated using three different treatment options. The remedial alternatives evaluated as part of the FS for Bowe site are as follows:

Alternative 1	No Further Action with Long Term Monitoring.
Alternative 2A	Pump and Treat with Air Stripping.
Alternative 2B	Pump and Treat with Carbon Adsorption.
Alternative 2C	Pump and Treat with UV Oxidation.
Alternative 3	In-Situ Treatment with Air Sparge/Soil Vapor Extraction.

The proposed alternative preferred by the NYSDEC, in consultation with the NYSDOH and NCDH, is Alternative 1, No Further Action with Long Term Monitoring. This is the preferred alternative, because groundwater quality data generated during the RI has demonstrated that the IRMs conducted in 1991 and 1992 have significantly reduced the concentrations of PCE in the upper portion of the aquifer on-site, and that natural attenuation continues to reduce PCE concentrations in the off-site groundwater to levels approaching the SCGs. As part of the No Further Action Alternative, a groundwater monitoring program will be undertaken to observe

groundwater quality over time. Groundwater samples will be collected quarterly for laboratory analysis, for a period of up to ten years.

CITIZEN PARTICIPATION

Citizen Participation enables full, two-way communication regarding the identification, investigation and remediation of Inactive Hazardous Waste Disposal Sites A Citizens Participation Program (CPP) is being carried out to ensure that the public is informed about, and can provide input concerning the remediation of the Bowe site. A similar Fact Sheet was distributed in 1992 describing the proposed Remedial Investigation at the Bowe site. In addition, information repositories have been established where copies of relevant project-related documents are available for the public to read. These locations are:

Hicksville Public Library
169 Jerusalem Avenue
Hicksville NY 11801
(516) 931-1417

NYSDEC, Region 1 Office
SUNY Building 40
Stony Brook, NY 11790
(516) 444-0249

The public is now invited to comment on the Proposed Remedial Action Plan (PRAP) for the Bowe site. A public comment period will run from January 27 to February 24, 1999. Comments can be made during this period, by sending them in writing to NYSDEC Project Manager Jamie Ascher at NYSDEC, Region 1, Division of Environmental Remediation, SUNY Building 40, Stony Brook, New York 11790. Comments can also be made at the public meeting.

The public is being notified of the February 3, 1999 public meeting, through this Meeting Invitation/Fact Sheet, mailed to the contact list, and through a NYSDEC press notice being distributed to Newsday's "Government Watch" and to the local weeklies.

After the conclusion of the public comment period, the NYSDEC will produce a Responsiveness Summary, documenting how the Department has considered all comments received as part of

coming to a Record of Decision (ROD) for the site. The Responsiveness Summary will be part of the ROD. The ROD will be available for review at the Information Repositories.

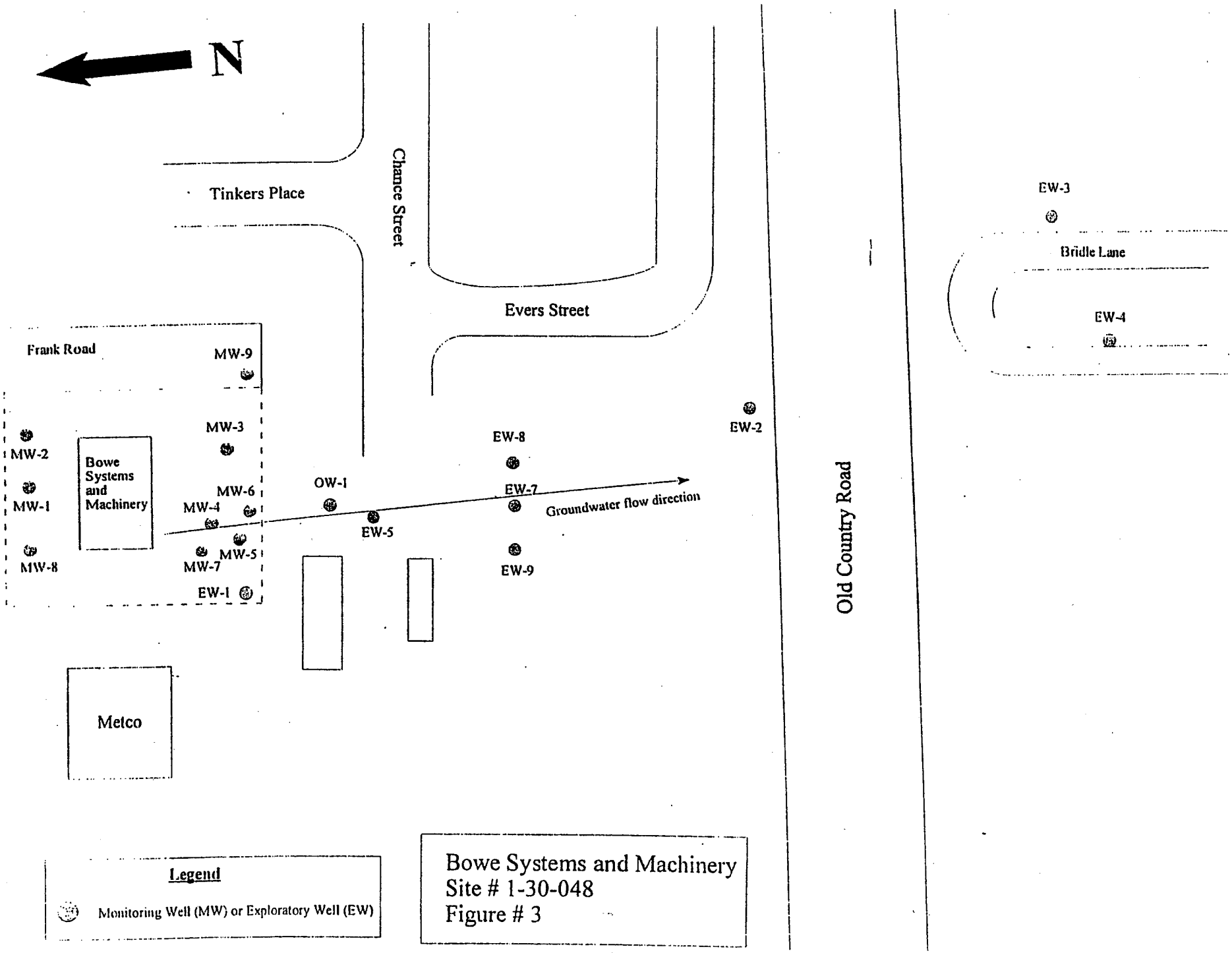
If, at any time, you have questions or comments regarding the Bowe site and/or the PRAP, please feel free to contact the individuals listed below:

New York State Department of Environmental Conservation

Mr. Jamie Ascher, Project Manager
NYSDEC, Region 1
SUNY Building 40
Stony Brook, NY 11790
(516) 444-0246

New York State Department of Health

Mr. Joseph Crua
NYSDOH
Bureau of Environmental Exposure Investigation
NYSDOH
Albany, NY 12203
(518) 458-6305


N
Tinkers Place
Chance Street
Evers Street
Frank Road
MW-9
MW-3
MW-2
Bowe Systems and Machinery
MW-1
MW-6
MW-4
MW-5
MW-8
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EW-5
EW-8
EW-7
EW-9
EW-2
Groundwater flow direction
Old Country Road
EW-3
Bridle Lane
EW-4
Metco
Legend
Monitoring Well (MW) or Exploratory Well (EW)
Bowe Systems and Machinery
Site # 1-30-048
Figure # 3

PROPOSED REMEDIAL ACTION PLAN

BOWE SYSTEMS AND MACHINERY
Hicksville, Nassau County, New York
Site No. 1-30-048
January 1999

SECTION 1: PURPOSE OF THE PROPOSED PLAN

The New York State Department of Environmental Conservation (NYSDEC) in consultation with the New York State Department of Health (NYSDOH) is proposing no further action with continued groundwater monitoring for the Bowe Systems and Machinery site. The findings of the investigation of this site indicate that the site no longer poses a threat to human health or the environment.

This Proposed Remedial Action Plan (PRAP) identifies the preferred remedy, summarizes the other alternatives considered, and discusses the reasons for this preference. The NYSDEC will select a final remedy for the site only after careful consideration of all comments received during the public comment period.

The NYSDEC has issued this PRAP as a component of the citizen participation plan developed pursuant to the New York State Environmental Conservation Law (ECL) and 6 NYCRR Part 375. This document is a summary of the information that can be found in greater detail in the Remedial Investigation (RI) and Feasibility Study (FS) reports available at the document repositories:

To better understand the site, and the investigations conducted, the public is encouraged to review the project documents at the following repositories:

NYSDEC
50 Wolf Road
Albany, NY 12233
(518) 457-0747
Monday - Friday, 8:30 a.m.- 4:45 p.m.

NYSDEC - Region 1
SUNY, Bldg. 40
Stony Brook, NY 11790
(516) 444-0240
Monday - Friday, 8:30 a.m.- 4:45 p.m.

Hicksville Public Library
169 Jerusalem Avenue
Hicksville, NY 11801
(516) 931-1417

The NYSDEC seeks input from the community on all PRAPs. A public comment period has been set from January 27, 1999 to February 24, 1999 to provide an opportunity for public participation in the remedy selection process for this site. A public meeting is scheduled for February 3, 1999 at Hicksville Middle School beginning at 7:00 p.m.

At the meeting, the results of the RI/FS will be presented along with a summary of the proposed remedy. After the presentation, a question and answer period will be held, during which you can submit verbal or written comments on the PRAP.

The NYSDEC may modify the preferred alternative or select another of the alternatives presented in this PRAP, based on new information or public comments. Therefore, the public is encouraged to review and comment on all of the alternatives identified here.

Comments will be summarized and responses provided in the Responsiveness Summary section of the Record of Decision. The Record of Decision is the NYSDEC's final selection of the remedy for this site. Written comments may be sent to Mr. Jamie Ascher at the NYSDEC Stony Brook address.

SECTION 2: SITE LOCATION AND DESCRIPTION

The Bowe Systems and Machinery site #1-30-048 is located at 200 Frank Road in the City of Hicksville, Town of Oyster Bay, Nassau County, New York. The facility is located on a 2.1 acre parcel of land. The site is paved on the east and south sides and contains a one story masonry building approximately 25,000 square feet in size. Adjacent to the site to the north and west are light industrial and commercial facilities. Residential homes are situated to the southeast of the site. A site location map is presented in Figure 1.

Two inactive hazardous waste disposal sites are located within 0.25 miles of the site. They are:

- Magnusonic Devices, Inc., Site Number 1-30-031, 0.2 miles northeast

- Alsy Manufacturing, Site Number 1-30-027, 0.25 miles northeast

A public water supply wellfield is located approximately 4000 feet south of the site. The wellfield is operated by the Hicksville Water District. Residential homes and businesses in the area are connected to the public water supply. There are no known private drinking water wells being utilized in the area.

SECTION 3: SITE HISTORY

3.1: Operational/Disposal History

Bowe Systems and Machinery (Bowe) occupied the site from 1990 until 1991. The company vacated the facility in 1991 before returning again in 1994. Bowe sells automated mail/letter processing equipment. American Permac, a sister company of Bowe, imported, assembled and tested dry cleaning machinery at the site during the late 1980s. American Permac ceased operations in 1990. During the testing of dry cleaning machinery, tetrachloroethylene (PCE) was used. During routine operation and testing, PCE was not discharged at the site. However, in 1989, a spill of approximately 10 - 15 gallons of PCE occurred into the floor drain system which discharged into an on site leaching pool system. There is no record of prior spills.

Prior to 1990: Site occupied by American Permac.

1990 - 1991: Site occupied by Bowe Systems and Machinery.

1991 - 1994: Building vacant.

1994 - 1998: Site occupied by Bowe Systems and Machinery.

3.2: Remedial History

The following is a chronological listing of investigations and remedial measures performed at the site.

December 1989: An environmental assessment was conducted by Soil Mechanics Drilling Corp. in response to an accidental discharge of PCE at the site. The investigation revealed elevated concentrations of PCE in the soil in three leaching pools (DW-1, 2, 3) and in the soil beneath a former spray paint booth. Four groundwater monitoring wells were installed on-site (MW-1, 2, 3, 4). Sampling and analysis of the monitoring wells detected PCE at 130 ppb and 8100 ppb in downgradient monitoring wells MW-3 and MW-4, respectively (Figure 2). Site specific groundwater flow direction was determined to be nearly due south.

March 1991: Based upon the soil quality data generated during the December 1989 environmental assessment, the PRP hired Fenley & Nicol Co. Inc. to conduct an interim remedial measure (IRM). Soil analysis detected PCE in the bottom sediments of leaching pools DW-1, DW-2 and DW-3 at 2400 ppm, 0.14 ppm and 10 ppm, respectively.

March 4 - 7, 1991: Excavation commenced as approximately 450 tons of contaminated soil were removed from leaching pools DW-1, DW-2 and DW-3 (Figure 2, Area 1). These leaching pools were connected in series. The soil was removed by a licensed waste hauler to an approved Treatment, Storage and Disposal Facility (TSDF). The final excavation extended to a maximum depth of 29 feet below land surface (bls) along the north side of the excavation and 17 feet bls along the south side. Upon completion of the excavation, a total of nine confirmatory soil samples were acquired for VOC analysis. Three confirmatory soil samples were taken from the bottom of the excavation, two from the east sidewall, two from the west sidewall, one from the north sidewall and one from the south sidewall. Analysis of the confirmatory soil samples revealed PCE concentrations below 1 ppm in all samples. Upon completion of the excavation, the piping from the building to the leaching pool system was disconnected and sealed. Upon completion of the IRM, three additional monitoring wells (MW-5, 6, 7) were installed on-site (Figure 2).

October 18, 1991: Site is listed in the New York State Registry of Inactive Hazardous Waste Disposal Sites as a Class 2 site.

August 1992: Prior to executing an Order on Consent, the PRP hired H2M Group to conduct a Site Screening Investigation (SSI). The objectives of the SSI were to investigate the following areas of concern: Area 1 (DW-1, 2, 3); Area 2 (DW-8 in loading dock); Area 3 (former spray paint booth); and Area 4 (sanitary leaching pool system on north side of building) (Figure 2).

The results of the SSI are as follows:

Area 1: VOC analysis of soil beneath Area 1 revealed the following detections: DW-1 (30'-32'bls) < 1ppm total VOCs, (40'-42'bls) < 1ppm total VOCs; DW-2 (14'-16'bls) < 1ppm total VOCs; DW-3 (23'-25'bls) < 1ppm total VOCs (Figure 2).

Area 2: VOC analysis of the soil from this leaching pool revealed the following detection; (10'-12'bls) 0.081 ppm PCE (Figure 2).

Area 3: A soil gas survey revealed elevated concentrations of VOCs. Two soil samples were acquired from locations exhibiting the highest photoionization detector (PID) responses and were analyzed for VOCs revealing the following detections: SB-1 (2'-4'bls) 2.3 ppm PCE; SB-2 (2'-4'bls) 0.91 ppm PCE (Figure 2).

Area 4: Sludge samples were acquired for VOC analysis from the bottom of the two sanitary leaching pools (LP-1, LP-2) and a septic tank (ST) and revealed the following: LP-1 < 1 ppm total VOCs, LP-2 1.98 ppm total VOCs, ST < 1 ppm total VOCs (Figure 2).

As a result of the SSI, the following IRMs were undertaken during September, 1992:

Area 1: Based upon the soil quality data generated during the SSI no further action was taken at DW-1, 2, or 3.

Area 2: Utilizing a vacuum truck the bottom five feet of soil/sediment was removed from the bottom of DW-8 and transported to Athens Hocking Reclamation Center, an approved TSDF.

Area 3: Approximately 27 cubic yards of soil was excavated from the location of the former spray paint booth. The excavation measured approximately 4' deep x 12' wide x 15' long. Confirmatory soil samples revealed total VOC concentrations below 1 ppm at the base of the excavation. The excavated soil was transported off-site on October 7, 1992 and disposed of at Athens Hocking Reclamation Center.

Area 4: 3,000 gallons of liquid were removed from the sanitary leaching pool system and discharged with approval to the local publicly owned treatment works (Cedar Creek). A vacuum truck was utilized to remove the bottom three feet of sludge/sediment from leaching pool LP-2. On October 7, 1992, this material was transported to Athens Hocking Reclamation Center. Thereafter, the facility was connected to the municipal sewer system.

SECTION 4: SITE CONTAMINATION

To evaluate the contamination present at the site and to evaluate alternatives to address the significant threat to human health and the environment, Bowe Systec, Inc. has recently conducted a Remedial Investigation/Feasibility Study (RI/FS).

4.1: Summary of the Remedial Investigation

The purpose of the RI was to define the nature and extent of any contamination resulting from previous activities at the site.

The RI was conducted in two phases. The Phase I RI was conducted beginning in September, 1992. The Phase II RI began in September, 1993. A report entitled Remedial Investigation/Feasibility Study dated November, 1998 has been prepared which describes the field activities and findings of the RI in detail.

The Phase I RI and Phase II RI included the following activities:

- *Advance soil borings in areas of concern and acquire soil samples for laboratory analysis.*
- *Install two additional on-site groundwater monitoring wells. Acquire groundwater samples for laboratory analysis from selected monitoring wells.*
- *Install seven temporary off-site groundwater monitoring wells downgradient of the site and acquire groundwater samples at discrete depth intervals to ascertain the areal extent, both vertically and horizontally, of groundwater contamination.*
- *Install and sample one permanent off-site downgradient groundwater monitoring well.*
- *Conduct aquifer characteristics testing to further define groundwater flow conditions in the vicinity of the site.*

To determine which media (soil and groundwater) contain contamination at levels of concern, the RI analytical data was compared to environmental Standards, Criteria, and Guidance (SCGs). Groundwater, drinking water and surface water SCGs identified for the Bowe Systems and Machinery site are based on NYSDEC Ambient Water Quality Standards and Guidance Values and Part V of NYS Sanitary Code. For soils, NYSDEC TAGM #4046 provides soil cleanup objectives for the protection of groundwater, background conditions, and health based exposure scenarios.

Based upon Remedial Investigation results, in comparison to the SCGs and potential public health and environmental exposure routes, certain areas and media of the site require further monitoring. These are summarized below. More complete information can be found in the RI Report.

Chemical concentrations are reported in parts per billion (ppb) and parts per million (ppm). For comparison purposes, where applicable, SCGs are provided for each medium.

4.1.1 Nature of Contamination:

As described in the RI Report, many soil and groundwater samples were collected at the site to characterize the nature and extent of contamination. The main categories of contaminants which exceed their SCGs are volatile organic compounds (VOCs).

The solvents used in dry cleaning are types of VOCs, so the contamination found at the site is consistent with what would be expected at a dry cleaning site. The specific VOC found at the Bowe Systems and Machinery site was PCE.

4.1.2 Extent of Contamination

The following are the media which were investigated and a summary of the findings of the investigation.

Soil

Confirmatory soil samples previously acquired from on-site leaching pools DW-1, 2 and 3 revealed that the IRM conducted in March, 1991 was successful. Therefore, further investigation of these pools was not necessary during the RI.

In order to ascertain whether any additional on-site leaching pools were contaminated, soil borings were advanced through on-site leaching pools DW-4, 5, 6, 7 and 8 (Figure 2). Split spoon soil samples were acquired every five feet vertically until no two consecutive samples exhibited a response on the PID. The two soil samples from each leaching pool that exhibited the highest PID reading were submitted for VOC analysis. Of the ten soil samples acquired from these leaching pools, laboratory analysis revealed PCE concentrations below the TAGM #4046 cleanup objective for PCE in four of the ten samples and no detections of PCE in the remaining six samples. The recommended soil cleanup objective for PCE is 1.4 ppm.

In order to determine whether any residual soil contamination existed around the former spray paint booth (Figure 2), a soil gas survey was conducted to aid in the selection of soil boring locations. Two soil borings were advanced and two soil samples were acquired from each boring and submitted for VOC analysis. Two surface soil samples were acquired via hand auger for laboratory analysis. The highest level of PCE contamination was observed in soil boring SBC-1 at 5-7 feet bls at 0.14 ppm. The remaining five soil samples also contained levels of PCE well below soil cleanup guidelines.

Based upon soil quality data generated during the SSI, a soil boring was advanced through LP-2 in order to determine the extent of residual soil contamination in the sanitary system (Figure 2). Soil samples were acquired for laboratory analysis at the 17-19 foot depth and 27-29 foot depth. Neither sample revealed VOC contamination. Subsequent to the RI sampling, the Bowe facility was connected to the municipal sewer system and the sanitary system was abandoned under the supervision and protocols of the Nassau County Department of Health (NCDH).

Groundwater

To help further define groundwater quality on-site, two additional groundwater monitoring wells (MW-8, MW-9) were installed in November, 1992 (Figure 3). Laboratory analysis of groundwater samples acquired in November, 1992 revealed the following detections of PCE: MW-1; non-detect, MW-3; 95 ppb, MW-5; 130ppb, MW-6; 450 ppb, MW-8; non-detect, MW-9; non-detect (Table 2). The groundwater standard for PCE is 5 ppb.

To ascertain the areal extent of VOC contamination in groundwater downgradient of the site, seven temporary groundwater monitoring wells were installed off-site and groundwater samples acquired for VOC analysis (Figure 3).

Based upon the results of computer modeling, in July, 1993, groundwater samples were collected from off-site exploratory wells EW-2, EW-3 and EW-4 (Figure 3) at five depth intervals, top of the water table which is approximately 60' below land surface (bls), 80'-85' bls, 105'-110' bls, 130'-135' bls and 155'-160' bls. While PCE was not detected in any of these groundwater samples (Table 3), trichloroethene (TCE) was detected in EW-3 at the following depths and concentrations: 60' bls (21 ppb), 80'-85' bls (24 ppb), 105'-110' bls (23 ppb), 130'-135' bls (8 ppb), 155'-160' bis (10 ppb). The groundwater standard for TCE is 5 ppb.

A second round of off-site exploratory wells (EW-5, 7, 8, 9) were installed in July, 1995 (Figure 3). Two groundwater samples were acquired at each well location. The first sample was acquired at the water table and the second sample was acquired approximately 20-25 feet below the water table. Analytical results for this round of groundwater sampling are summarized in Table 3.

In July, 1997, a permanent off-site groundwater monitoring well (OW-1) was constructed downgradient of the site (Figure 3). Prior to construction of the well, groundwater was sampled at three depths. The first sample was acquired at the water table, approximately 55' bls. A second groundwater sample was acquired at 77' bls and a third sample was acquired at a depth of 92' bls. Laboratory analysis of these samples revealed the following detections of PCE: 55' bls (34 ppb), 77' bls (24 ppb), 92' bls (non-detect). Analytical results for this round of groundwater samples are summarized in Table 3. Upon completion of this sampling effort, a permanent groundwater monitoring well (OW-1) was constructed at the water table.

4.2 Summary of Human Exposure Pathways:

This section discusses the potential pathways of exposure for people living near the Bowe Systems and Machinery site. A more detailed discussion of the exposure pathways can be found in Section 7 of the RI Report. An exposure pathway is how an individual may come in contact with a contaminant. The elements of an exposure pathway include: the source of contamination; the contaminated environmental media (i.e., soil, water, and air); the manner the contaminant migrates from the source; the location where one may be exposed to the contamination; how the contaminant enters the body (i.e., inhalation, ingestion, and or absoption through the skin); and the population exposed to the contamination.

The potential pathways of exposure of concern at the Bowe Systems and Machinery site include the ingestion of contaminated groundwater and contact with contaminated soil. VOCs associated with the site have been detected in on-site groundwater and subsurface soil, and in off-site groundwater monitoring wells.

The potential for exposure to site related contamination in soil has been significantly reduced since all areas of soil contamination identified during site investigations have been excavated and removed off-site. Residual soil contamination is located subsurface and the majority of the site is either paved or covered by the facility building, thus limiting the possibility of contact with on-site soil. Furthermore, residual levels of VOCs in on-site soils are below those levels identified in TAGM #4046 as protective of human health and the environment.

Exposure to site-related contaminants in drinking water is not expected since homes and businesses near the site are connected to public water. The public water supply is sampled on a quarterly basis and must meet New York State Department of Health (NYSDOH) drinking water standards. The nearest public drinking water supply wells are located approximately 4000 feet downgradient from the site and are owned and operated by the Hicksville Water District. Since VOCs have been detected in the Water District's water supply wells, wellhead treatment is necessary in order to meet NYSDOH standards. The Bowe Systems and Machinery site is not thought to be the source of these contaminants.

The excavation and removal of contaminated soil from the Bowe Systems and Machinery site has significantly reduced the level of site-related VOCs in the groundwater. Based on this observation it is unlikely that the low levels of VOCs migrating from the site in groundwater could have a significant impact on the Hicksville Water District wellfield.

In addition to the groundwater investigations which were undertaken at the site, computer fate and transport modeling indicates that if contaminated groundwater were ever to reach the public water supply wells, it would be at concentrations well below the NYSDOH standards.

4.3 Summary of Environmental Exposure Pathways:

There are no known environmental exposure pathways at this site.

SECTION 5: ENFORCEMENT STATUS

Potentially Responsible Parties (PRPs) are those who may be legally liable for contamination at a site. This may include past or present owners and operators, waste generators, and haulers.

The following is the chronological enforcement history of this site.

Orders on Consent

Date	Index	Subject
9/24/92	W1-0587-92-03	RI/FS/IRM

The NYSDEC and Bowe Systec, Inc. entered into a Order on Consent on September 24, 1992. The Order obligates the responsible party to implement a RI/FS. Upon issuance of the Record of Decision, the NYSDEC will approach the PRP to implement the selected remedy under an Order on Consent.

SECTION 6: SUMMARY OF THE REMEDIATION GOALS

Goals for the remedial program have been established through the remedy selection process stated in 6 NYCRR Part 375-1.10. The overall remedial goal is to restore the site to pre-disposal conditions, to the extent feasible as authorized by law.

At a minimum, the remedy selected should eliminate or mitigate all significant threats to public health and to the environment presented by the hazardous waste disposed at the site through the proper application of scientific and engineering principles.

The goals selected for this site are:

- *Mitigate the impacts of contaminated groundwater to the environment or human health.*
- *Provide for attainment of SCGs for groundwater quality at the limits of the area of concern (AOC), to the extent practicable.*

SECTION 7: SUMMARY OF THE EVALUATION OF ALTERNATIVES

The selected remedy should be protective of human health and the environment, be cost effective, comply with other statutory laws and utilize permanent solutions, alternative technologies or resource recovery technologies to the maximum extent practicable. Potential remedial alternatives for the Bowe Systems and Machinery site were identified, screened and evaluated in the report entitled Remedial Investigation/Feasibility Study Report, November, 1998.

A summary of the detailed analysis follows. As presented below, the time to implement reflects only the time required to construct the remedy, and does not include the time required to design the remedy, procure contracts for design and construction or to negotiate with responsible parties for implementation and operation of the remedy.

7.1: Description of Alternatives

The potential remedies are intended to address the contaminated groundwater at the site.

Alternative 1: No Further Action with Long Term Monitoring

Present Worth:	$ 83,010
Capital Cost:	$ None
Annual O&M:	$ 10,750
Time to Implement:	Immediately

This alternative recognizes remediation of the site conducted under previously completed IRMs and the effects of natural attenuation. Based upon RI/FS data,

continued groundwater monitoring would be required to evaluate the effectiveness of past remedial activities at the site. Groundwater samples would be acquired from monitoring wells MW-1, MW-3, MW-4, MW-5, MW-6, MW-7, MW-8 and off-site well OW-1 on a quarterly basis for up to ten years. Groundwater levels would be taken during each sampling event in order to calculate and confirm groundwater flow direction.

Alternative 2a: Groundwater Extraction and Treatment by Air Stripping

Present Worth:	$ 899,370
Capital Cost:	$ 175,925
Annual O&M:	$ 93,690
Time to Implement:	6 - 12 months

Under this alternative groundwater treatment would be provided by a counter-current packed tower air stripper. Untreated groundwater would be pumped to the top of a packed column which contains a specified height and cross sectional area of inert packing material along with water distribution and collection systems. The column would receive ambient air under pressure in an upward vertical direction from the bottom of the column as the groundwater flows downward. This desorption process involves the mass transfer of contaminants from the liquid phase to the gaseous phase.

Groundwater recovery wells would be installed in the vicinity of MW-6, where the highest concentrations of PCE have been observed. On-site discharge of treated groundwater would require the installation of recharge basins to accommodate the daily volume of treated groundwater to be recharged. Remedial effectiveness would be evaluated through a groundwater monitoring program.

Alternative 2b: Groundwater Extraction and Treatment by Carbon Adsorption

Present Worth:	$ 1,147,390
Capital Cost:	$ 196,075
Annual O&M:	$ 123,200
Time to Implement:	6 - 12 months

Groundwater treatment would be provided by a series of granular activated carbon (GAC) adsorption units. Based upon the estimated pumping rates and projected VOC loading, three 1000 pound carbon filters would be required. Two carbon units set in series would be on-line at any given time. A third unit would be in standby mode until the first unit requires regeneration.

Adsorption is a natural process in which molecules of a liquid or gas are attracted to and then held at the surface of a solid. Contaminants in the untreated water adsorb onto the GAC. The adsoptive capacity of the carbon varies with the nature and concentration of the contaminants. As the contaminant loading on the carbon reaches the adsorptive capacity of the carbon near the top of the filter, the interface between the saturated and the clean carbon moves downward through the carbon bed inside the pressure vessel. Once the carbon in the filter vessel is fully loaded with contaminants, carbon regeneration is necessary.

Groundwater recovery wells would be installed in the vicinity of MW-6, where the highest concentrations of PCE have been observed. On-site discharge of treated groundwater would require the installation of recharge basins to accommodate the daily volume of treated groundwater to be recharged. A groundwater monitoring program would be necessary to evaluate the effectiveness of the remedial alternative.

Alternative 2c: Groundwater Extraction and Treatment by UV Oxidation

Present Worth:	$ 1,618,450
Capital Cost:	$ 334,025
Annual O&M	$ 166,340
Time to Implement:	6 - 12 months

Using ultraviolet (UV) oxidation, the groundwater treatment system would consist of a hydrogen peroxide feed system in conjunction with an oxygen or air source and a UV oxidation reactor. The combination of UV light and a chemical oxidant, such as hydrogen peroxide, breaks down VOCs by photochemical oxidation.

Based upon estimated pumping rates and VOC loading, a single UV lamp, 30 kilowatt unit, would be required. Pilot testing would be required during the design to determine the exact equipment sizing and whether any pretreatment would be required to remove naturally occurring metals which might impede the transmission of UV radiation.

Groundwater recovery wells would be installed in the vicinity of MW-6, where the highest concentrations of PCE have been observed. On-site discharge of treated groundwater would require the installation of recharge basins to accommodate the daily volume of treated groundwater to be recharged. A groundwater monitoring program would be necessary to evaluate the effectiveness of the remedial alternative.

Alternative 3: Groundwater Treatment by In-Situ Air Sparging

Present Worth:	$ 501,410
Capital Cost:	$ 137,020
Annual O&M:	$ 47,190
Time to Implement:	6 months

Under this alternative, groundwater beneath the site would be treated using a series of air sparge points and vapor extraction wells. Air sparging is a process where air is introduced under pressure below the water table to increase the rate of volatilization of VOCs in the saturated zone. Air sparging is most commonly used at sites with unconsolidated overburden such as sand and gravel, or other relatively permeable formations. It is generally used in conjunction with vapor extraction to effectively capture VOCs volatilized from the saturated zone as well as reduce VOC levels in the unsaturated zone.

Air sparge wells would be installed in the vicinity of MW-6, where the highest concentrations of PCE have been observed. As with the groundwater pump and treatment alternatives, this alternative would also require a groundwater monitoring program to evaluate the effectiveness of the remedial alternative.

7.2 Evaluation of Remedial Alternatives

The criteria used to compare the potential remedial alternatives are defined in the regulation that directs the remediation of inactive hazardous waste sites in New York State (6NYCRR Part 375). For each of the criteria, a brief description is provided followed by an evaluation of the alternatives against that criterion. A detailed discussion of the evaluation criteria and comparative analysis is included in the Feasibility Study.

The first two evaluation criteria are termed threshold criteria and must be satisfied in order for an alternative to be considered for selection.

1. Compliance with New York State Standards, Criteria, and Guidance (SCGs). Compliance with SCGs addresses whether or not a remedy will meet applicable environmental laws, regulations, standards, and guidance.

Alternative 1 would not immediately meet the SCGs for groundwater quality standards. However, natural attenuation would restore the aquifer to the groundwater quality standards over a period of several years. The existing public water supply regulations are in effect to ensure that the drinking water standards are met within the public water supply distribution system. This would be the same regardless of the alternative selected. The existing wellhead treatment at the North Stewart Avenue wellfield ensures compliance with the NYS drinking water standards. Alternative 1, while not immediately meeting SCGs, would be an acceptable alternative given the relatively low concentrations of PCE recently observed in the downgradient monitoring wells on and off the site.

Alternatives 2a, 2b, 2c and 3 would also result in groundwater eventually complying with the applicable SCGs.

2. Protection of Human Health and the Environment. This criterion is an overall evaluation of the health and environmental impacts to assess whether each alternative is protective

All remedial alternatives would be protective of human health and the environment. These alternatives rely upon the NYSDOH Part 5 drinking water requirements which must be met by community water suppliers. There are no drinking water wells on-site utilizing groundwater and there are no private residential drinking water wells in the surrounding area.

The next five "primary balancing criteria" are used to compare the positive and negative aspects of each of the remedial strategies.

3. Short-term Effectiveness. The potential short-term adverse impacts of the remedial action upon the community, the workers, and the environment during the construction and/or implementation are evaluated. The length of time needed to achieve the remedial objectives is also estimated and compared against the other alternatives.

Worker exposure to contaminated groundwater during implementation of Alternatives 1, 2a, 2b, 2c or 3 would be controlled through the implementation of a site specific health and safety plan.

While all the alternatives pose little risk to public health, Alternatives 2a, 2b and 3 have the potential to require emission control systems if pilot testing of the alternative indicates that air emissions exceed SCGs.

The length of time it would take to maintain the remedial objectives utilizing any of the described alternatives is difficult to project. However, a period of no longer than ten years would be anticipated to meet and maintain current remedial objectives. Alternatives 2a, 2b and 2c would prevent further migration of PCE in groundwater.

4. Long-term Effectiveness and Permanence. This criterion evaluates the long-term effectiveness of the remedial alternatives after implementation. If wastes or treated residuals remain on site after the selected remedy has been implemented, the following items are evaluated: 1) the magnitude of the remaining risks, 2) the adequacy of the controls intended to limit the risk, and 3) the reliability of these controls.

Alternatives 2a, 2b, 2c and 3 would provide long term effectiveness and permanence. Under these alternatives, treated groundwater would have to meet applicable SCGs prior to being recharged to the aquifer. A groundwater monitoring program would evaluate the effectiveness of the remedial alternative.

The no action alternative does not reduce risks nor implement controls to limit them. However, natural attenuation would reduce the concentration and mass of PCE in groundwater over time. The Bowe Systems and Machinery site and the surrounding community are utilizing public water supplied by the Hicksville Water District for potable uses.

5. Reduction of Toxicity, Mobility or Volume. Preference is given to alternatives that permanently and significantly reduce the toxicity, mobility or volume of the wastes at the site.

None of the alternatives (1, 2a, 2b, 2c or 3) would reduce the toxicity of groundwater contaminants at the site.

Alternatives 2a, 2b, 2c and 3 would reduce the concentrations, mobility and mass of groundwater contaminants.

Alternative 1 would reduce the concentration and mass of groundwater contaminants.

6. Implementability. The technical and administrative feasibility of implementing each alternative are evaluated. Technical feasibility includes the difficulties associated with the construction and the ability to monitor the effectiveness of the remedy. For administrative feasibility, the availability of the necessary personnel and material is evaluated along with potential difficulties in obtaining specific operating approvals, access for construction, etc..

All alternatives are implementable and would require periodic groundwater sampling to evaluate the effectiveness of the remedial alternative.

7. Cost. Capital and operation and maintenance costs are estimated for each alternative and compared on a present worth basis. Although cost is the last balancing criterion evaluated, where two or more alternatives have met the requirements of the remaining criteria, cost effectiveness can be used as the basis for the final decision. The costs for each alternative are presented in Table 1.

This final criterion is considered a modifying criterion and is taken into account after evaluating those above. It is evaluated after public comments on the Proposed Remedial Action Plan have been received.

8. Community Acceptance - Concerns of the community regarding the RI/FS reports and the Proposed Remedial Action Plan are evaluated. A "Responsiveness Summary" will be prepared that describes public comments received and how the Department will address the concerns raised. If the selected remedy differs significantly from the proposed remedy, notices to the public will be issued describing the differences and reasons for the changes.

SECTION 8: SUMMARY OF THE PROPOSED REMEDY

Based upon the results of the RI/FS, and the evaluation presented in Section 7, the NYSDEC is proposing Alternative 1 as the remedy for this site.

While Alternative 1 does not immediately meet groundwater SCGs, the selection of this alternative is based upon the fact that four previously completed remedial actions have been successful in remediating on-site soil and will prevent further contamination of the groundwater. Groundwater quality data generated during the RI also reveals decreasing concentrations of PCE as a result of source removal. The RI/FS also revealed that there are no private drinking water wells or environmental receptors downgradient of the site which are threatened by current or future groundwater conditions. The remedial actions were:

1. Under NYSDEC oversight, 450 tons of PCE contaminated soil were removed from leaching pools DW-1, DW-2 and DW-3. This source area was considered to be the major source of contamination affecting groundwater at the site.

2. Under NYSDEC oversight, approximately six cubic yards of VOC contaminated soil were removed from leaching pool DW-8.

3. Under NYSDEC oversight, approximately 27 cubic yards of VOC contaminated soil were excavated from an area which was the location of a former spray paint booth.

4. Under NYSDEC and NCDH oversight, approximately 3000 gallons of liquid were removed from the sanitary leaching pool system. Thereafter, three feet of sludge/sediment were removed from the bottom of a leaching pool LP-2 by vacuum extraction.

Groundwater quality data generated during the RI reveals that remediation of on-site source areas has resulted in reducing the concentration of PCE in on-site groundwater.

Off-site groundwater quality data generated during the RI demonstrates that natural attenuation continues to reduce concentrations of VOCs to nearly the SCGs. Additionally, investigation of groundwater quality at depth in the aquifer reveals that VOCs do not pose a significant threat to public health or the environment.

The estimated present worth cost to implement the remedy is $83,010 if the program is required to extend the full ten years. The estimated average annual operation and maintenance cost for ten years of quarterly groundwater sampling is $10,750.

The elements of the selected remedy are as follows:

- Since the remedy results in untreated groundwater remaining at the site, a long term groundwater monitoring program would be instituted. This program would monitor the effectiveness of prior interim remedial measures and natural attenuation in reducing groundwater contaminant levels and would be

a component of the operation and maintenance for the site.

- The RI confirmed the site specific groundwater flow direction. Based upon these results, groundwater samples would be acquired from monitoring wells MW-1, MW-3, MW-4, MW-5, MW-6, MW-7, MW-8 and off-site well OW-1 on a quarterly basis for a minimum of three years. Water levels would also be taken from this suite of monitoring wells for calculation and confirmation of groundwater flow direction. Groundwater samples would be analyzed for VOCs by a NYSDOH certified laboratory. At the end of the three year monitoring period, groundwater quality data would be evaluated and a determination made as to whether to continue or modify the groundwater monitoring program.

Table 1
Remedial Alternative Costs

Remedial Alternative	Capital Cost	Annual O&M	Total Present Worth
1.No Further Action - Monitor Only	$0	$10,750	$83,010
2a. Pump & Treat - Air Stripping	$175,925	$93,690	$899,370
2b. Pump & Treat - Carbon Adsorption	$196,075	$123,200	$1,147,390
2c. Pump & Treat - UV Oxidation	$334,025	$166,340	$1,618,450
3. In-situ - Air Sparge	$137,020	$47,190	$501,410

Table 2: PCE in On-Site Groundwater December 1989 - April 1997

	December 1989	July 1991	June 1992	November 1992	February 1993	July 1993	January 1994	November 1995	April 1997
EW-1						110			
MW-1	ND		ND	ND					
MW-2	ND								
MW-3	130		19	95	340		2		ND
MW-4	8100	320						280	130
MW-5		47		130	ND			90	40
MW-6		180	430	450	370		200	200	250
MW-7		110	130	ND					
MW-8				ND	ND		ND		2
MW-9				ND	ND		ND		

Notes:

1. All results in ppb
2. ND - non detect
3. SCG for PCE is 5 ppb

Table 3: PCE in Off-Site Groundwater

	EW-2	EW-3	EW-4
55' - 60' bls	ND	ND	ND
80' - 85' bls	ND	ND	ND
105' - 110' bls	ND	ND	ND
130' - 135' bls	ND	ND	ND
155' - 160' bls	ND	ND	ND

	EW-5	EW-7	EW-8	EW-9
65' bls	20	15	12	4
85' bls	8	10	5	5

	OW-1
55' bls	34
77' bls	24
92' bls	ND

Notes:

1. Results in ppb
2. ND - non detect
3. bls - below land surface
4. SCG for PCE is 5 ppb
5. EW - Exploratory (temporary) Well

Department of Environmental Conservation

Division of Environmental Remediation

Record of Decision

Bowe Systems and Machinery
Hicksville, Nassau County
Site Number 1-30-048

March 1999

New York State Department of Environmental Conservation

GEORGE E. PATAKI, *Governor* JOHN P. CAHILL, *Commissioner*

DECLARATION STATEMENT - RECORD OF DECISION

Bowe Systems and Machinery
Hicksville, Nassau County, New York
Site No. 1-30-048

Statement of Purpose and Basis

The Record of Decision (ROD) presents the selected remedial action for the Bowe Systems and Machinery inactive hazardous waste disposal site which was chosen in accordance with the New York State Environmental Conservation Law (ECL). The remedial program selected is not inconsistent with the National Oil and Hazardous Substances Pollution Contingency Plan of March 8, 1990 (40CFR300).

This decision is based upon the Administrative Record of the New York State Department of Environmental Conservation (NYSDEC) for the Bowe Systems and Machinery Inactive Hazardous Waste Site and upon public input to the Proposed Remedial Action Plan (PRAP) presented by the NYSDEC. A bibliography of the documents included as a part of the Administrative Record is included in Appendix B of the ROD.

Assessment of the Site

Actual or threatened release of hazardous waste constituents from this site have been addressed by implementing the interim response actions identified in this ROD. The removal of contaminated soil from the site has significantly reduced the threat to public health and the environment. Therefore, a groundwater monitoring program will be implemented to monitor the effectiveness of previous remedial actions in preventing further contamination of the groundwater.

Description of Selected Remedy

Based upon the results of the Remedial Investigation/Feasibility Study (RI/FS) for the Bowe Systems and Machinery site and the criteria identified for evaluation of alternatives, the NYSDEC has selected no further action with continued groundwater monitoring. The components of the remedy are as follows:

- Sampling and analysis of groundwater quality and flow direction from eight existing groundwater monitoring wells on a quarterly basis for a minimum of three years and up to ten years.

New York State Department of Health Acceptance

The New York State Department of Health concurs with the remedy selected for this site as being protective of human health.

Declaration

The selected remedy is protective of human health and the environment, complies with State and Federal requirements that are legally applicable or relevant and appropriate to the remedial action to the extent practicable, and is cost effective. This remedy utilizes permanent solutions and alternative treatment or resource recovery technologies, to the maximum extent practicable, and satisfies the preference for remedies that reduce toxicity, mobility, or volume as a principal element.

3/16/99
Date

Michael J. O'Toole, Jr., Director
Division of Environmental Remediation

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SECTION 1: SUMMARY OF THE RECORD OF DECISION

The New York State Department of Environmental Conservation (NYSDEC) in consultation with the New York State Department of Health (NYSDOH) has selected the remedy for the Bowe Systems and Machinery (Bowe) site. As more fully described in Sections 3 and 4 of this document, the testing of commercial dry cleaning machinery resulted in the disposal of the hazardous waste, tetrachloroethylene (PCE), at the site, some of which migrated from the site in the groundwater. These disposal activities resulted in the following significant threats to the public health and/or the environment:

- a significant threat to human health associated with exposure to contaminated soil and/or groundwater.

During the course of the investigation certain actions, known as Interim Remedial Measures (IRMs), were undertaken at the Bowe site in response to the threats identified above. IRMs are conducted at sites when a source of contamination or exposure pathway can be effectively addressed before completion of the RI/FS. The IRMs undertaken at this site were the excavation of contaminated soil from four separate source areas.

Based upon the success of the above IRMs, the findings of the investigation of this site indicate that the removal of contaminated soil has significantly reduced the threat to public health and the environment. Therefore, No Further Action with groundwater monitoring was the remedy for this site. The groundwater monitoring program will be implemented to monitor the effectiveness of previous remedial actions in preventing further contamination of the groundwater. The NYSDEC will reclassify the site from a Class 2 to a Class 4 on the New York State Registry of Inactive Hazardous Waste Disposal Sites. A Class 4 site is a site that has been properly closed but requires continued operation, maintenance, and/or monitoring.

SECTION 2: SITE LOCATION AND DESCRIPTION

The Bowe site #1-30-048 is located at 200 Frank Road in the City of Hicksville, Town of Oyster Bay, Nassau County, New York. The facility is located on a 2.1 acre parcel of land. The site is paved on the east and south sides and contains a one story masonry building approximately 25,000 square feet in size. Adjacent to the site to the north and west are light industrial and commercial facilities. Residential homes are situated to the southeast of the site. A site location map is presented in Figure 1.

Two inactive hazardous waste disposal sites are located within 0.25 miles of the site. They are:

- Magnusonic Devices, Inc., Site Number 1-30-031, 0.2 miles northeast

- Alsy Manufacturing, Site Number 1-30-027, 0.25 miles northeast

A public water supply wellfield is located approximately 4000 feet south of the site. The wellfield is operated by the Hicksville Water District. Residential homes and businesses are connected to the public water supply. There are no known private drinking water wells utilized in the area.

SECTION 3: SITE HISTORY

3.1: OPERATIONAL/DISPOSAL HISTORY

Bowe occupied the site from 1990 until 1991. The company vacated the facility in 1991 before returning again in 1994. Bowe sells automated mail processing equipment. American Permac, a subsidiary of Bowe, imported, assembled and tested dry cleaning machinery at the site during the late 1980s. American Permac ceased operations in 1990. During the testing of dry cleaning machinery, PCE was used. During routine operation and testing, PCE was not discharged at the site. However, in 1989, a spill of approximately 10 - 15 gallons of PCE occured into the floor drain system which discharged into an on-site leaching pool system (Figure 2, Area 1).

Prior to 1990: Site occupied by American Permac.

1990 - 1991: Site occupied by Bowe Systems and Machinery.

1991 - 1994: Building vacant.

1994 - 1998: Site occupied by Bowe Systems and Machinery.

3.2: REMEDIAL HISTORY

The following is a chronological listing of investigations performed at the site.

Chemical concentrations are reported in parts per billion (ppb) and parts per million (ppm).

December 1989: An environmental assessment was conducted in response to an accidental discharge of PCE at the site. The investigation revealed elevated concentrations of PCE in the soil in three on-site leaching pools DW-1, DW-2 and DW- 3 at 2400 ppm, 0.14 ppm and 10 ppm, respectively. Soil beneath a former spray paint booth was also found to be impacted by volatile organic compounds (VOCs). Four groundwater monitoring wells were installed on-site (MW-1, 2, 3, 4). Sampling and analysis of the monitoring wells detected PCE at 130 ppb and 8100 ppb in downgradient monitoring wells MW-3 and MW-4, respectively (Figure 2). Site specific groundwater flow direction was determined to be nearly due south.

March 1991: The NYSDEC oversaw the excavation and removal of approximately 450 tons of contaminated soil from leaching pools DW-1, DW-2 and DW-3 (Area 1, Figure 2). These leaching pools were connected in series and were the pools which received the documented spill of PCE. The soil was removed by a licensed waste hauler to an approved Treatment, Storage and Disposal Facility (TSDF). The final excavation extended to a maximum depth of 29 feet below land surface (bls) along the north side of the excavation and 17 feet bls along the south side. Upon completion of the excavation, a total of nine confirmatory soil samples were acquired for laboratory analysis. Three confirmatory soil samples were taken from the bottom of the excavation, two from the east sidewall, two from the west sidewall and one from the south sidewall. Laboratory analysis of the confirmatory soil samples revealed PCE concentrations below 1 ppm in all samples. NYSDEC Technical Administrative Guidance Memorandum (TAGM) #4046 recommends a soil cleanup level of 1.4 ppm for PCE for the protection of human health and the environment. Upon completion of the excavation, the piping from the building to the leaching pool system was disconnected and sealed.

October 18, 1991: Site is listed in the New York State Registry of Inactive Hazardous Waste Disposal Sites as a Class 2 site.

August 1992: Prior to the initiation of the RI/FS, the PRP conducted a site screening investigation (SSI). The objectives of the SSI were to investigate the following areas of concern: Area 1 (DW-1, 2, 3); Area 2 (DW-8 in loading dock); Area 3 (former spray paint booth); Area 4 (sanitary leaching pool system on north side of building) (Figure 2). The results of the SSI are as follows:

- Area 1: VOC analysis of soil beneath Area 1 revealed the following detections: DW-1 (30'-32' bls) <1ppm total VOCs, (40'-42' bls) <1ppm total VOCs; DW-2 (14'-16' bls) <1ppm total VOCs; DW-3 (23'-25' bls) <1ppm total VOCs (Figure 2).

- Area 2: VOC analysis of the soil from DW-8 revealed the following detection: (10'-12' bls) 0.081 ppm of PCE.

- Area 3: A soil gas survey revealed elevated concentrations of VOCs. Two samples were acquired from locations exhibiting the highest photoionization detector (PID) responses and were analyzed for VOCs revealing the following detections: SB-1 (2'-4' bls) 2.3 ppm PCE; SB-2 (2'-4' bls) 0.91 ppm PCE (Figure 2).

- Area 4: sludge samples were acquired for VOC analysis from the bottom of the two sanitary leaching pool (LP-1, LP-2) and a septic tank (ST) and revealed the following detections: LP-1 <1ppm total VOCs; LP-2 1.98ppm total VOCs; ST <1ppm total VOCs (Figure 2).

SECTION 4: SITE CONTAMINATION

To evaluate the contamination present at the site and to evaluate alternatives to address the significant threat to human health and the environment, Bowe Systec, Inc. conducted a Remedial Investigation/Feasibility Study (RI/FS)

4.1: SUMMARY OF REMEDIAL INVESTIGATION

The purpose of the RI was to define the nature and extent of any contamination resulting from previous activities at the site.

The RI was conducted in two phases. The Phase I RI was conducted beginning in September, 1992. The Phase II RI began in September, 1993. A report entitled Remedial Investigation/Feasibility Study dated November, 1998 has been prepared which describes the field activities and findings of the RI in detail.

The Phase I RI and Phase II RI included the following activities:

- *Background information review.*

- *Advance soil borings in areas of concern and acquire soil samples for laboratory analysis.*

- *Install two additional on-site groundwater monitoring wells. Acquire groundwater samples for laboratory analysis and water levels to confirm groundwater flow direction.*

- *Install seven temporary off-site groundwater monitoring wells downgradient of the site. Acquire groundwater samples at discrete depth intervals to ascertain the areal extent of groundwater contamination.*

- *Install and sample one permanent off-site downgradient groundwater monitoring well.*

- *Conduct aquifer characteristics testing to further define groundwater flow conditions in the vicinity of the site.*

To determine which media (groundwater and soil) contain contamination at levels of concern, the RI analytical data was compared to environmental Standards, Criteria, and Guidance (SCGs). Groundwater SCGs identified for the Bowe Systems and Machinery site were based on NYSDEC Ambient Water Quality Standards and Guidance Values and Part V of the NYS Sanitary Code. Soil quality data was compared to NYSDEC TAGM #4046.

Based upon the results of the remedial investigation, in comparison to the SCGs and potential public health and environmental exposure routes, certain areas and media of the site require further monitoring. These are summarized below. More complete information can be found in the RI report.

For comparison purposes, where applicable, SCGs are provided for groundwater.

4.1.1: NATURE OF CONTAMINATION

As described in the RI report, soil and groundwater samples were collected at the site to characterize the nature and extent of contamination. Based upon past environmental investigations, PCE is the contaminant associated with past disposal practices.

Soil Quality:

- In order to determine soil quality in potential source areas which had not been previously investigated, a total of eight additional soil borings were conducted.

Groundwater Quality:

- In order to help further define the extent of groundwater contamination on-site, two additional groundwater monitoring wells (MW-8, MW-9) were installed (Figure 2). In order to evaluate the areal extent of groundwater contamination which may have migrated off-site, one permanent (OW-1) and seven temporary groundwater monitoring wells (EW-2, 3, 4, 5, 7, 8, 9) were installed (Figure 3).

4.1.2: EXTENT OF CONTAMINATION

The following are the media which were investigated during the RI and a summary of the findings of the investigations.

Soil Quality:

Confirmatory soil samples previously acquired from drywells DW-1, 2 and 3 (Area 1, Figure 2) revealed that the IRM conducted in March, 1991 was successful in reducing PCE concentrations to levels below those prescribed in TAGM #4046.

Soil borings advanced through drywells DW-4, 5, 6, 7 and 8 (Figure 2) revealed PCE concentrations below TAGM #4046 in all cases. Drywells DW-4, 5, 6, and 7 had not been investigated prior to the RI. DW-8 was the subject of an IRM conducted in September, 1992.

In order to determine the extent of contamination remaining around the former spray paint booth, a soil gas survey was conducted, two soil borings performed and two surface soil samples were acquired via hand auger. The highest concentration of PCE observed in any of these samples was 0.14 ppm, demonstrating the IRM was successful in removing soil contamination.

Based upon prior sampling of the sanitary leaching pool system (Area 4, Figure 2), leaching pool LP-2 was found to contain elevated levels of VOCs and was the subject of an IRM. A soil boring was advanced through this pool during the RI and revealed no detections of VOCs.

Groundwater Quality:

To help further define on-site groundwater quality, two additional monitoring wells (MW-8, MW-9) were installed during the Phase I RI to supplement previously installed wells (Figure 2). The VOC of concern was PCE which was detected at levels above the NYS groundwater standard of 5 ppb (Table 2).

In order to ascertain the areal extent of groundwater contamination which may have migrated off-site, one permanent and seven temporary groundwater monitoring wells were installed downgradient of the site during the Phase II RI. Temporary exploratory wells EW-2, 3 and 4 were installed and sampled in July, 1993. Temporary exploratory wells EW-5, 7, 8 and 9 were installed and sampled in July, 1995. Permanent monitoring well OW-1 was installed and sampled in July, 1997. The data and locations of these wells are presented Table 3 and Figure 3, respectively.

4.2: INTERIM REMEDIAL MEASURES

Interim Remedial Measures (IRMs) are conducted at sites when a source of contamination or exposure route can be effectively addressed before the completion of the RI/FS.

As a result of a site screening investigation (SSI) conducted in August, 1992 the following IRMs were undertaken in September, 1992. Area 1 (Figure 2) was the subject of an earlier IRM overseen by NYSDEC and discussed earlier in this document.

1. Area 2: In September, 1992, the bottom five feet of soil/sediment was removed from DW-8 (Figure 2). The contaminated soil was transported to Athens Hocking Reclamation Center, an approved TSDF. A confirmatory soil sample detected PCE below 1 ppm.

2. Area 3: In September, 1992, approximately 27 cubic yards of soil was excavated from the location of the former spray paint booth (Figure 2). The excavation measured approximately 4 feet deep x 12 feet wide x 15 feet long. Confirmatory soil samples revealed total VOCs below 1 ppm at the base of the excavation. The excavated soil was transported to the Athens Hocking Reclamation Center.

3. Area 4: In September, 1992, approximately 3000 gallons of sanitary liquid was removed from the sanitary leaching pool system and discharged with approval to the local publicly owned treatment works (Cedar Creek). A vacuum truck was utilized to remove the bottom three feet of sludge/sediment from leaching pool LP-2 (Figure 2). Confirmatory soil samples revealed total VOCs below 1 ppm in the bottom of the sanitary leaching pools. Thereafter, the facility was connected to the municipal sewer system.

4.3: SUMMARY OF HUMAN EXPOSURE PATHWAYS

This section discusses the potential pathways of exposure for people living near the Bowe site. A more detailed discussion of the exposure pathways can be found is Section 7 of the RI/FS Report.

An exposure pathway is how an individual may come in contact with a contaminant. The elements of an exposure pathway include: the source of contamination; the contaminated environmental media (i.e., soil, water, and air); the manner the contaminant migrates from the source; the location where one may be exposed to the contamination; how the contaminant enters the body (i.e., inhalation, ingestion, or absorption through the skin); and the population exposed to the contamination.

The potential pathways of exposure of concern at the Bowe site include the ingestion of contaminated groundwater and contact with contaminated soil. PCE associated with the site has been detected in on-site groundwater and subsurface soil.

The potential for exposure to site related contamination in soil has been significantly reduced since all areas of soil contamination identified during site investigations have been excavated and removed off-site. Residual soil contamination is located subsurface and the majority of the site is either paved or covered by the factory building, thus limiting the possibility of contact with on-site soil. Furthermore, residual levels of VOCs in on-site soils are below those levels identified in TAGM #4046 as protective of human health and the environment.

Exposure to site related contaminants in drinking water is not expected since homes and businesses near the site are connected to public water. The nearest public drinking water supply wells are located approximately 4000 feet downgradient from the site and are owned and operated by the Hicksville Water District. The public water supply is sampled on a quarterly basis and must meet New York State Department of Health (NYSDOH) drinking water standards.

The excavation and removal of contaminated soil from the Bowe site has significantly reduced the level of site related PCE in the groundwater. Based upon these observations it is highly unlikely that the low levels of PCE migrating from the site in groundwater could have a significant impact on the Hicksville Water District's wellfield.

4.4: SUMMARY OF ENVIRONMENTAL EXPOSURE PATHWAYS

There are no known environmental exposure pathways at this site.

SECTION 5: ENFORCEMENT STATUS

Potentially Responsible Parties (PRP) are those who may be legally liable for the contamination at a site. This may include past ~~or~~ present owners and operators, waste generators and haulers.

The following is the enforcement history of this site.

Orders on Consent

Date	Index	Subject
9/24/92	W1-0587-92-03	RI/FS/IRM

The NYSDEC and Bowe Systec, Inc. entered into a Order on Consent on September 24, 1992. The Order obligates the responsible party to implement a RI/FS. Upon issuance of the Record of Decision, the PRP will enter into an Order on Consent to implement the selected remedy.

SECTION 6: SUMMARY OF THE REMEDIATION GOALS

Goals for the remedial program have been established through the remedy selection process stated in 6 NYCRR Part 375-1.10. The overall remedial goal is to restore the site to pre-disposal conditions, to the extent feasible as authorized by law.

At a minimum, the remedy selected should eliminate or mitigate all significant threats to the public health and to the environment presented by the hazardous waste disposed at the site through the proper application of scientific and engineering principles.

The goals selected for this site are:

- Mitigate the impacts of contaminated groundwater to the environment or human health.
- Provide for the attainment of SCGs for groundwater quality at the limits of the area of concern (AOC) to the extent practicable.

SECTION 7: SUMMARY OF THE EVALUATION OF ALTERNATIVES

The selected remedy should be protective of human health and the environment, be cost effective, comply with other statutory laws and utilize permanent solutions, alternative technologies or resource recovery technologies to the maximum extent practicable. Potential remedial alternatives for the Bowe Systems and Machinery site were identified, screened and evaluated in the report entitled Remedial Investigation/Feasibility Study Report, November, 1998.

A summary of the detailed analysis follows. As presented below, the time to implement reflects only the time required to construct the remedy, and does not include the time required to design the remedy, procure contracts for the design and construction or to negotiate with responsible parties for the implementation and operation of the remedy.

7.1: DESCRIPTION OF REMEDIAL ALTERNATIVES

Alternative 1: No Further Action with Long Term Monitoring

Present Worth:	$ 83,010
Capital Cost:	$ None
Annual O&M:	$ 10,750
Time to Implement:	Immediately

This alternative recognizes remediation of the site conducted under previously completed IRMs and the effects of natural attenuation. Based upon RI/FS data, continued groundwater monitoring would be required to evaluate the effectiveness of past remedial activities at the site. Groundwater samples would be acquired from monitoring wells MW-1, MW-3, MW-4, MW-5, MW-6, MW-7, MW-8 and off-site well OW-1 on a quarterly basis for up to ten years. Groundwater levels would be taken during each sampling event in order to calculate and confirm groundwater flow direction.

Alternative 2a: Groundwater Extraction and Treatment by Air Stripping

Present Worth:	$ 899,370
Capital Cost:	$ 175,925
Annual O&M:	$ 93,690
Time to Implement:	6 - 12 months

Under this alternative groundwater treatment would be provided by a counter-current packed tower air stripper. Untreated groundwater would be pumped to the top of a packed column which contains a specified height and cross sectional area of inert packing material along with water distribution and collection systems. The column would receive ambient air under pressure in an upward vertical direction from the bottom of the column as the groundwater flows downward. This desorption process involves the mass transfer of contaminants from the liquid phase to the gaseous phase.

Groundwater recovery wells would be installed in the vicinity of MW-6, where the highest concentrations of PCE have been observed. On-site discharge of treated groundwater would require the installation of recharge basins to accommodate the daily volume of treated groundwater to be recharged. Remedial effectiveness would be evaluated through a groundwater monitoring program.

Alternative 2b: Groundwater Extraction and Treatment by Carbon Adsorption

Present Worth:	$ 1,147,390
Capital Cost:	$ 196,075
Annual O&M:	$ 123,200
Time to Implement:	6 - 12 months

Groundwater treatment would be provided by a series of granular activated carbon (GAC) adsorption units. Based upon the estimated pumping rates and projected VOC loading, three 1000 pound carbon filters would be required. Two carbon units set in series would be on-line at any given time. A third unit would be in standby mode until the first unit requires regeneration.

Adsorption is a natural process in which molecules of a liquid or gas are attracted to and then held at the surface of a solid. Contaminants in the untreated water adsorb onto the GAC. The adsoptive capacity of the carbon varies with the nature and concentration of the contaminants. As the contaminant loading on the carbon reaches the adsorptive capacity of the carbon near the top of the filter, the interface between the saturated and the clean carbon moves downward through the carbon bed inside the pressure vessel. Once the carbon in the filter vessel is fully loaded with contaminants, carbon regeneration is necessary.

Groundwater recovery wells would be installed in the vicinity of MW-6, where the highest concentrations of PCE have been observed. On-site discharge of treated groundwater would require the installation of recharge basins to accommodate the daily volume of treated groundwater to be recharged. A groundwater monitoring program would be necessary to evaluate the effectiveness of the remedial alternative.

Alternative 2c: Groundwater Extraction and Treatment by UV Oxidation

Present Worth:	$ 1,618,450
Capital Cost:	$ 334,025
Annual O&M	$ 166,340
Time to Implement:	6 - 12 months

Using ultraviolet (UV) oxidation, the groundwater treatment system would consist of a hydrogen peroxide feed system in conjunction with an oxygen or air source and a UV oxidation reactor. The combination of UV light and a chemical oxidant, such as hydrogen peroxide, breaks down VOCs by photochemical oxidation.

Based upon estimated pumping rates and VOC loading, a single UV lamp, 30 kilowatt unit, would be required. Pilot testing would be required during the design to determine the exact equipment sizing and whether any pretreatment would be required to remove naturally occurring metals which might impede the transmission of UV radiation.

Groundwater recovery wells would be installed in the vicinity of MW-6, where the highest concentrations of PCE have been observed. On-site discharge of treated groundwater would require the installation of recharge basins to accommodate the daily volume of treated groundwater to be recharged. A groundwater monitoring program would be necessary to evaluate the effectiveness of the remedial alternative.

Alternative 3: Groundwater Treatment by In-Situ Air Sparging

Present Worth:	$ 501,410
Capital Cost:	$ 137,020
Annual O&M:	$ 47,190
Time to Implement:	6 months

Under this alternative, groundwater beneath the site would be treated using a series of air sparge points and vapor extraction wells. Air sparging is a process where air is introduced under pressure below the water table to increase the rate of volatilization of VOCs in the saturated zone. Air sparging is most commonly used at sites with unconsolidated overburden such as sand and gravel, or other relatively permeable formations. It is generally used in conjunction with vapor extraction to effectively capture VOCs volatilized from the saturated zone as well as reduce VOC levels in the unsaturated zone.

Air sparge wells would be installed in the vicinity of MW-6, where the highest concentrations of PCE have been observed. As with the groundwater pump and treatment alternatives, this alternative would also require a groundwater monitoring program to evaluate the effectiveness of the remedial alternative.

7.2: EVALUATION OF REMEDIAL ALTERNATIVES

The criteria used to compare the potential remedial alternatives are defined in the regulation that directs the remediation of inactive hazardous waste sites in New York State (6NYCRR Part 375). For each of the criteria, a brief description is provided followed by an evaluation of the alternatives against that criterion. A detailed discussion of the evaluation criteria and comparative analysis is included in the Feasibility Study.

The first two evaluation criteria are termed threshold criteria and must be satisfied in order for an alternative to be considered for selection.

1. Compliance with New York State Standards, Criteria, and Guidance (SCGs). Compliance with SCGs addresses whether or not a remedy will meet applicable environmental laws, regulations, standards, and guidance.

Alternative 1 would not immediately meet the SCGs for groundwater quality standards. However, natural attenuation would restore the aquifer to the groundwater quality standards over a period of several years. The existing public water supply regulations are in effect to ensure that the drinking water standards are met within the public water supply distribution system. This would be the same regardless of the alternative selected. The existing wellhead treatment at the North Stewart Avenue wellfield ensures compliance with the NYS drinking water standards. Alternative 1, while not immediately meeting SCGs, would be an acceptable alternative given the relatively low concentrations of PCE recently observed in the downgradient monitoring wells on and off the site. Additionally, source removal, conducted under previous IRMs, will prevent further contamination of the groundwater.

Alternatives 2a, 2b, 2c and 3 would also result in groundwater eventually complying with the applicable SCGs.

2. Protection of Human Health and the Environment. This criterion is an overall evaluation of the health and environmental impacts to assess whether each alternative is protective.

All remedial alternatives would be protective of human health and the environment. These alternatives rely upon the NYSDOH Part 5 drinking water requirements which must be met by community water suppliers. There are no drinking water wells on-site utilizing groundwater and there are no private residential drinking water wells in the surrounding area.

The next five "primary balancing criteria" are used to compare the positive and negative aspects of each of the remedial strategies.

3. Short-term Effectiveness. The potential short-term adverse impacts of the remedial action upon the community, the workers, and the environment during the construction and/or implementation are evaluated. The length of time needed to achieve the remedial objectives is also estimated and compared against the other alternatives.

Worker exposure to contaminated groundwater during implementation of Alternatives 1, 2a, 2b, 2c or 3 would be controlled through the implementation of a site specific health and safety plan.

While all the alternatives pose little risk to public health, Alternatives 2a, 2b and 3 have the potential to require emission control systems if pilot testing of the alternative indicates that air emissions exceed SCGs.

The length of time it would take to maintain the remedial objectives utilizing any of the described alternatives is difficult to project. However, a period of no longer than ten years would be anticipated to meet and maintain current remedial objectives. Alternatives 2a, 2b and 2c would prevent further migration of PCE in groundwater.

4. Long-term Effectiveness and Permanence. This criterion evaluates the long-term effectiveness of the remedial alternatives after implementation. If wastes or treated residuals remain on site after the selected remedy has been implemented, the following items are evaluated: 1) the magnitude of the remaining risks, 2) the adequacy of the controls intended to limit the risk, and 3) the reliability of these controls.

Alternatives 2a, 2b, 2c and 3 would provide long term effectiveness and permanence. Under these alternatives, treated groundwater would have to meet applicable SCGs prior to being recharged to the aquifer. A groundwater monitoring program would evaluate the effectiveness of the remedial alternative.

The no action alternative does not reduce risks nor implement controls to limit them. However, natural attenuation would reduce the concentration and mass of PCE in groundwater over time. The Bowe Systems and Machinery site and the surrounding community are utilizing public water supplied by the Hicksville Water District for potable uses.

5. Reduction of Toxicity, Mobility or Volume. Preference is given to alternatives that permanently and significantly reduce the toxicity, mobility or volume of the wastes at the site.

None of the alternatives (1, 2a, 2b, 2c or 3) would reduce the toxicity of groundwater contaminants at the site.

Alternatives 2a, 2b and 2c would reduce the concentrations, mobility and mass of groundwater contaminants.

Alternatives 1 and 2 would reduce the concentration and mass of groundwater contaminants.

6. Implementability. The technical and administrative feasibility of implementing each alternative are evaluated. Technical feasibility includes the difficulties associated with the construction and the ability to monitor the effectiveness of the remedy. For administrative feasibility, the availability of the necessary personnel and material is evaluated along with potential difficulties in obtaining specific operating approvals, access for construction, etc..

All alternatives are implementable and would require periodic groundwater sampling to evaluate the effectiveness of the remedial alternative.

7. Cost. Capital and operation and maintenance costs are estimated for each alternative and compared on a present worth basis. Although cost is the last balancing criterion evaluated, where two or more alternatives have met the requirements of the remaining criteria, cost effectiveness can be used as the basis for the final decision. The costs for each alternative are presented in Table 1.

This final criterion is considered a modifying criterion and is taken into account after evaluating those above. It is evaluated after public comments on the Proposed Remedial Action Plan have been received.

8. **Community Acceptance** - Concerns of the community regarding the RI/FS reports and the Proposed Remedial Action Plan have been evaluated. The "Responsiveness Summary" included as Appendix A present the public comments received and the Department's response to the concerns raised. In general, the public comments received were supportive of the selected remedy.

SECTION 8: SUMMARY OF THE SELECTED REMEDY

Based upon the results of the RI/FS, and the evaluation presented in Section 7, the NYSDEC is selecting Alternative 1 as the remedy for this site.

While Alternative 1 does not immediately meet groundwater SCGs, the selection of this alternative is based upon the fact that four previously completed remedial actions have been successful in remediating on-site soil and will prevent further contamination of the groundwater. Groundwater samples acquired in April, 1997 continue to demonstrate decreasing concentrations of PCE as a result of source removal. The RI/FS also revealed that there are no private drinking water wells or environmental receptors downgradient of the site which are threatened by current or future groundwater conditions. The remedial actions were:

1. Under NYSDEC oversight, 450 tons of PCE contaminated soil were removed from leaching pools DW-1, DW-2 and DW-3. This source area was considered to be the major source of contamination affecting groundwater at the site.

2. Under NYSDEC oversight, approximately six cubic yards of VOC contaminated soil were removed from leaching pool DW-8.

3. Under NYSDEC oversight, approximately 27 cubic yards of VOC contaminated soil were excavated from an area which was the location of a former spray paint booth.

4. Under NYSDEC and NCDH oversight, approximately 3000 gallons of liquid were removed from the sanitary leaching pool system. Thereafter, three feet of sludge/sediment were removed from the bottom of leaching pool LP-2 by vacuum extraction.

Groundwater quality data generated during the RI reveals that remediation of on-site source areas has resulted in reducing the concentration of PCE in on-site groundwater.

Off-site groundwater quality data generated during the RI demonstrates that natural attenuation continues to reduce concentrations of VOCs to nearly the SCGs. Additionally, investigation of groundwater quality at depth within the aquifer reveals that VOCs do not pose a significant threat to public health or the environment.

The estimated present worth cost to implement the remedy is $83,010 if the program is required to extend the full ten years. The estimated average annual operation and maintenance cost for ten years of quarterly groundwater sampling is $10,750.

The elements of the selected remedy are as follows:

- Since the remedy results in untreated groundwater remaining at the site, a long term groundwater monitoring program will be instituted. This program will monitor the effectiveness of prior interim remedial measures and natural attenuation in reducing groundwater contaminant levels and will be a component of the operation and maintenance for the site. Additionally, the Department will reclassify the site from a Class 2 to a Class 4 on the New York State Registry of Inactive Hazardous Waste Disposal Sites. A Class 4 site is a site that has been properly closed but requires continued operation, maintenance, and/or monitoring.

- The RI confirmed the site specific groundwater flow direction. Based upon these results, groundwater samples will be acquired from monitoring wells MW-1, MW-3, MW-4, MW-5, MW-6, MW-7, MW-8 and off-site well OW-1 on a quarterly basis for a minimum of three years or until groundwater standards are achieved. Groundwater samples will be analyzed for VOCs by a NYSDOH certified laboratory. Water levels will also be taken from this suite of monitoring wells for calculation and confirmation of groundwater flow direction. Data will be evaluated annually to ensure that a decreasing trend of groundwater contaminant concentrations will continue and eventually result in groundwater quality in compliance with applicable SCGs. If groundwater concentrations do not exhibit a decreasing trend, the Department may consider the need for further investigation and/or further remediation of the site. At the end of the three year monitoring period, a determination will be made as to whether to continue or modify the groundwater monitoring program.

SECTION 9: HIGHLIGHTS OF COMMUNITY PARTICIPATION

As part of the remedial investigation process, a number of Citizen Participation (CP) activities were undertaken in an effort to inform and educate the public about conditions at the site and the potential remedial alternatives. The following public participation activities were conducted for the site:

- A repository for documents pertaining to the site was established.
- A site mailing list was established which included nearby property owners, local political officials local media and other interested parties.
- A RI Fact Sheet was distributed as per the site mailing list prior to the field implementation of the remedial investigation.
- A public meeting was held in February, 1999 to present the PRAP.
- In February, 1999 a Responsiveness Summary was prepared and made available to the public, to address the comments received during the public comment period for the PRAP.

Table 1
Remedial Alternative Costs

Remedial Alternative	Capital Cost	Annual O&M	Total Present Worth
1.No Further Action - Monitor Only	$0	$10,750	$83,010 .
2a. Pump & Treat - Air Stripping	$175,925	$93,690	$899,370
2b. Pump & Treat - Carbon Adsorption	$196,075	$123,200	$1,147,390
2c. Pump & Treat - UV Oxidation	$334,025	$166,340	$1,618,450
3. In-situ - Air Sparge	$137,020	$47,190	$501,410

Table 2: PCE in On-Site Groundwater December 1989 - April 1997

	December 1989	July 1991	June 1992	November 1992	February 1993	July 1993	January 1994	November 1995	April 1997
EW-1						110			
MW-1	ND		ND	ND					
MW-2	ND								
MW-3	130		19	95	340		2		ND
MW-4	8100	320						280	130
MW-5		47		130	ND			90	40
MW-6		180	430	450	370		200	200	250
MW-7		110	130	ND					
MW-8				ND	ND		ND		2
MW-9				ND	ND		ND		

Notes:

1. All results in ppb
2. ND - non detect
3. SCG for PCE is 5 ppb

Table 3: PCE in Off-Site Groundwater

	EW-2	EW-3	EW-4
55' - 60' bls	ND	ND	ND
80' - 85' bls	ND	ND	ND
105' - 110' bls	ND	ND	ND
130' - 135' bls	ND	ND	ND
155' - 160' bls	ND	ND	ND

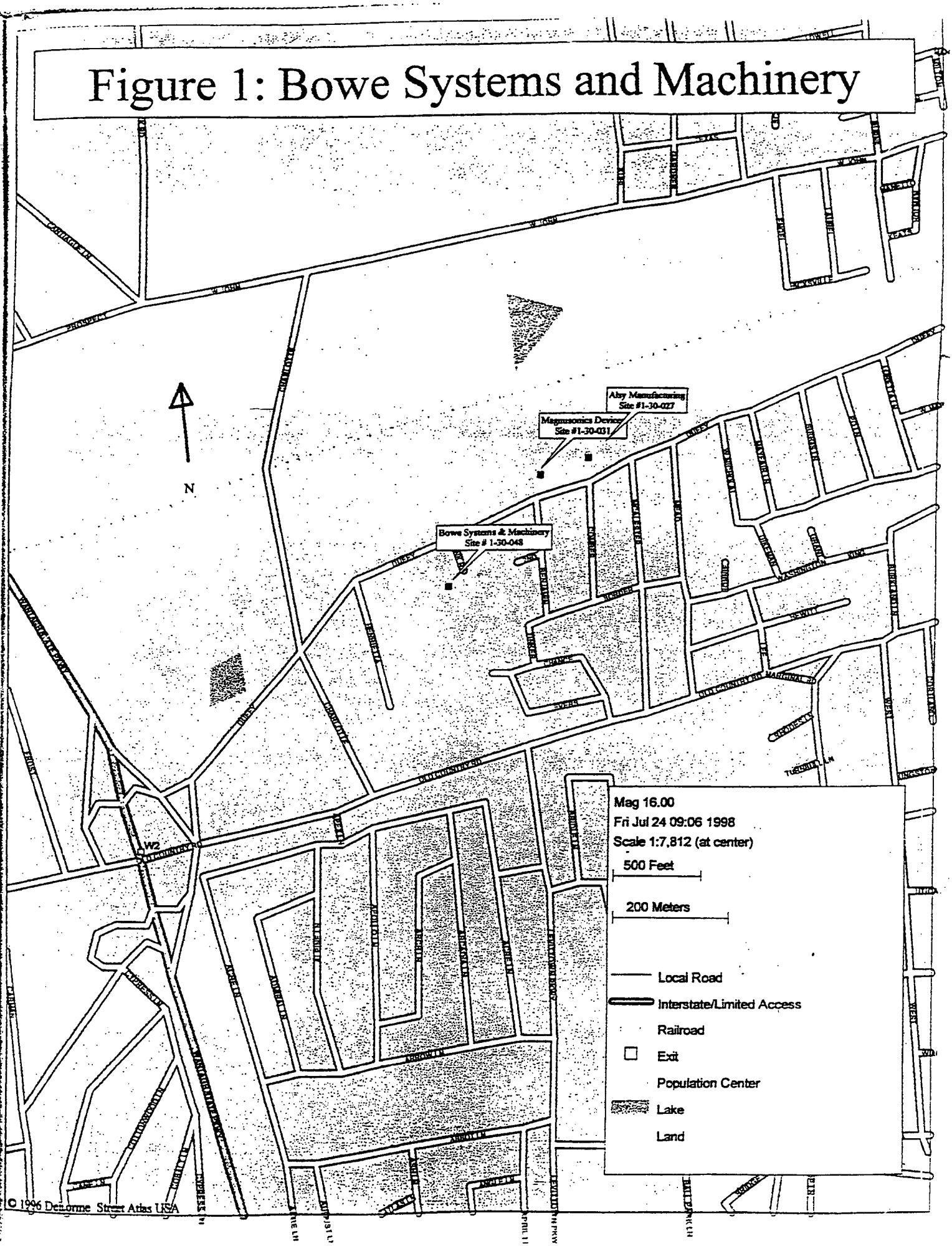
	EW-5	EW-7	EW-8	EW-9
65' bls	20	15	12	4
85' bls	8	10	5	5

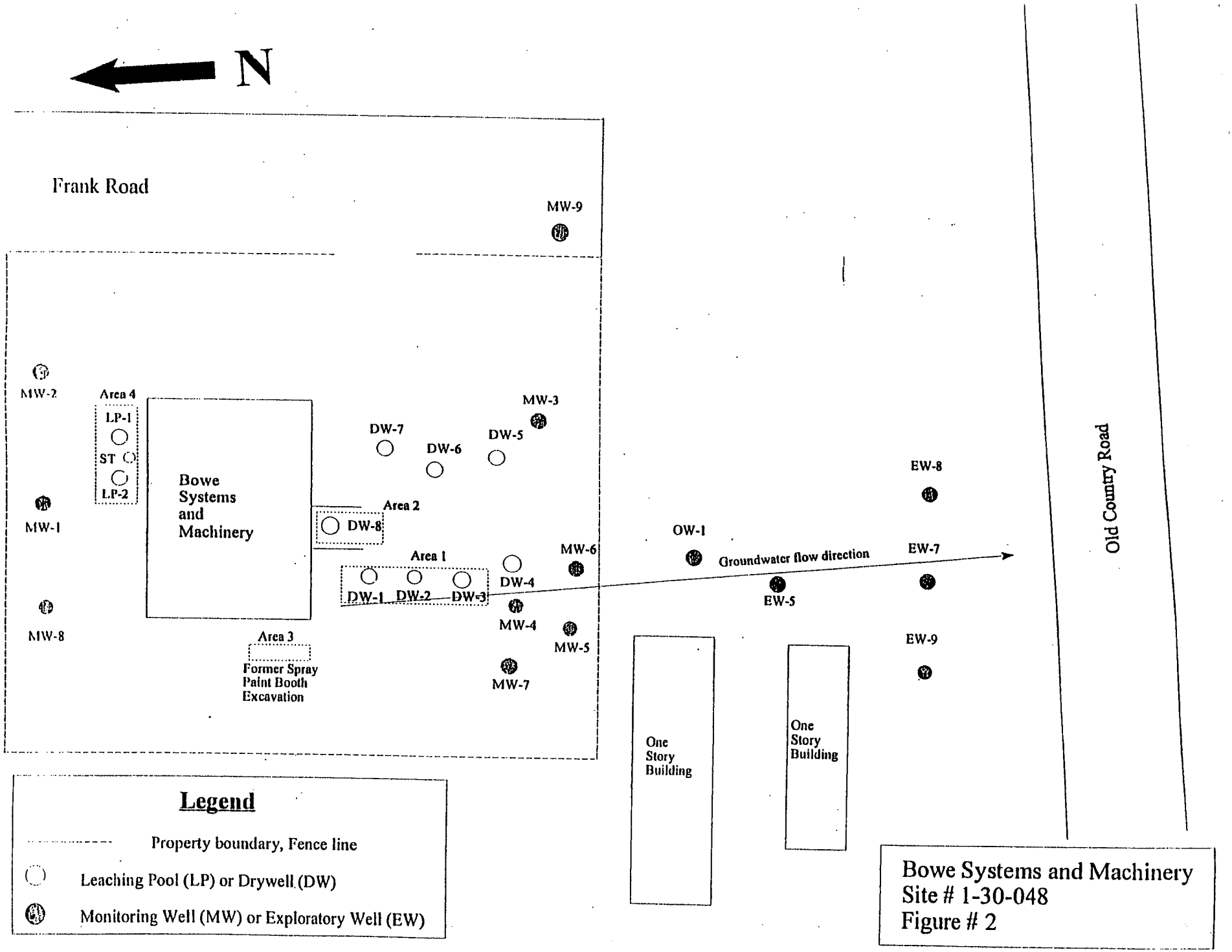
	OW-1
55' bls	34
77' bls	24
92' bls	ND

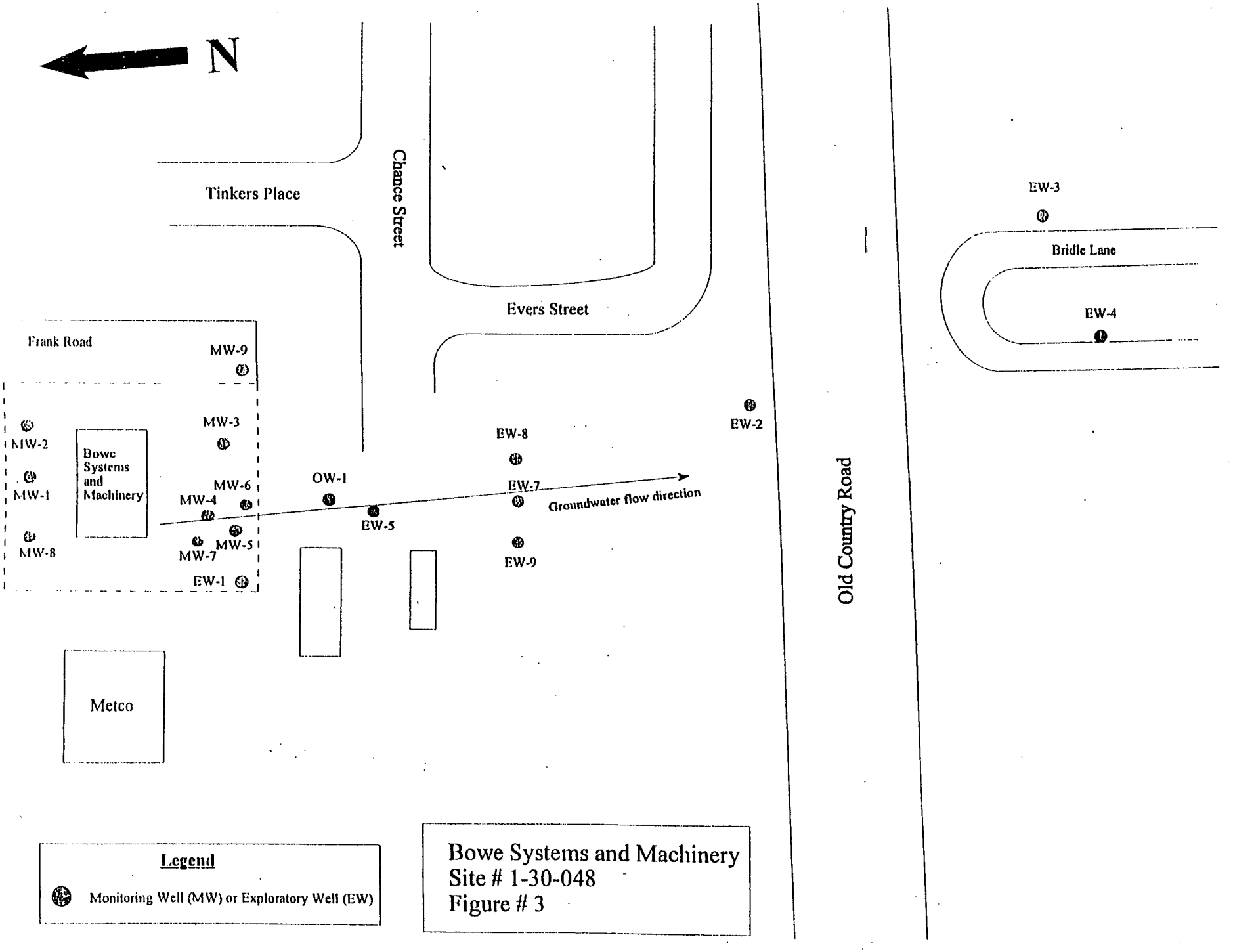
Notes:

1. Results in ppb
2. ND - non detect
3. bls - below land surface
4. SCG for PCE is 5 ppb
5. EW - Exploratory (temporary) Well

Figure 1: Bowe Systems and Machinery




N
Frank Road
MW-9
MW-2
Area 4
LP-1
ST
LP-2
MW-1
MW-8
Bowe Systems and Machinery
DW-7
DW-6
DW-5
MW-3
Area 2
DW-8
Area 1
DW-1
DW-2
DW-3
DW-4
MW-6
MW-4
MW-5
MW-7
Area 3
Former Spray Paint Booth Excavation
OW-1
Groundwater flow direction
EW-5
EW-8
EW-7
EW-9
Old Country Road
One Story Building
One Story Building
Legend
Property boundary, Fence line
Leaching Pool (LP) or Drywell (DW)
Monitoring Well (MW) or Exploratory Well (EW)
Bowe Systems and Machinery
Site # 1-30-048
Figure # 2


N
Tinkers Place
Chance Street
Evers Street
Old Country Road
Bridle Lane
EW-3
EW-4
EW-2
Frank Road
MW-9
MW-3
MW-2
MW-1
MW-8
MW-6
MW-4
MW-5
MW-7
EW-1
Bowe Systems and Machinery
OW-1
EW-5
EW-8
EW-7
EW-9
Groundwater flow direction
Metco
Legend
Monitoring Well (MW) or Exploratory Well (EW)
Bowe Systems and Machinery
Site # 1-30-048
Figure # 3

APPENDIX A

Responsiveness Summary

RESPONSIVENESS SUMMARY

Bowe Systems and Machinery
Proposed Remedial Action Plan
Hicksville, Nassau County
Site No. 1-30-048

The Proposed Remedial Action Plan (PRAP) for the Bowe Systems and Machinery site, was prepared by the New York State Department of Environmental Conservation (NYSDEC) and issued to the local document repository on January 21, 1999. This Plan outlined the preferred remedial measure proposed for the remediation of the contaminated soil and groundwater at the Bowe Systems and Machinery site. The preferred remedy is No Further Action with continued groundwater monitoring.

The release of the PRAP was announced via a notice to the mailing list, informing the public of the PRAP's availability.

A public meeting was held on February 3, 1999 which included a presentation of the Remedial Investigation (RI) and the Feasibility Study (FS) as well as a discussion of the proposed remedy. The meeting provided an opportunity for citizens to discuss their concerns, ask questions and comment on the proposed remedy. These comments have become part of the Administrative Record for this site. Written comments were received from Mr. & Mrs. Proffe, Ms. Theresa Mahoney, Mr. & Mrs. W. Resoluski, Mrs. Marie Grebe and Ms. Karen Blicker. The public comment period for the PRAP ended on February 24, 1999.

This Responsiveness Summary responds to all questions and comments raised at the February 3, 1999 public meeting and to written comments received.

The following are the comments received at the public meeting, with the NYSDEC's responses:

COMMENT 1: Is there any knowledge of misuse of RCRA regulated substances?

RESPONSE 1: The only known record of non-compliance regarding the facility was the spill of approximately 10-15 gallons of tetrachloroethylene in 1989.

COMMENT 2: A neighborhood resident did not remember seeing field activities associated with the various IRMs.

RESPONSE 2: NYSDEC staff oversaw the field work associated with the various IRMs. Additionally, a homeowner who attended the PRAP meeting and lives adjacent to the site recalled seeing the field activities which were undertaken during the IRMs.

COMMENT 3: Would contaminants in the groundwater sink through the aquifer as groundwater migrates off-site?

RESPONSE 3: Yes. Because PCE tends to sink in groundwater, samples were acquired at a variety of depths within the aquifer to ascertain whether or not contaminants were migrating vertically through the aquifer.

COMMENT 4: Is there a mechanism for tracking which chemicals a facility purchases, stores on-site, and ultimately disposes of ?

RESPONSE 4: Although the Department does not track chemical purchases by a facility, the Chemical Bulk Storage Program requires that facilities register their chemical storage tanks with the Department depending on tank size and the chemicals being stored. The Division of Solid and Hazardous Materials implements the Resource Conservation and Recovery Act (RCRA) program which tracks the hazardous waste a facility disposes of. This program requires facilities disposing of hazardous waste to have the waste removed by a licensed hauler to an approved treatment, storage and disposal facility. The Department is notified of this activity by way of a copy of a manifest which accompanies the shipping and disposal of the hazardous waste.

COMMENT 5: Several letters from Hicksville residents included the following comment: 'Though the contamination is below the recommended cleanup level, I recommend it be cleaned up in its entirety'.

RESPONSE 5: Excavation of the contaminated areas has reduced residual soil contamination to levels protective of human health and the environment. Additionally, any remaining soil contamination on-site is well below land surface where contact with humans is highly unlikely. PCE concentrations in off-site groundwater either meet or just slightly exceed SCGs and do not pose a threat to the public water supply. These concentrations will be monitored and are expected to decrease with time.

APPENDIX B

Administrative Record

1. Environmental Assessment Report, Bowe Systems and Machinery, Soil Mechanics Drilling Corp., January, 1990

2. Soil Excavation Report, Bowe Systems and Machinery, Fenley & Nicol Co. Inc., April, 1991

3. Site Screening Investigation Report, Bowe Systems and Machinery, H2M Group, August, 1992

4. Interim Remedial Measure Workplan, Bowe Systems and Machinery, H2M Group, September, 1992

5. Phase I Remedial Investigation Workplan, Bowe Systems and Machinery, H2M Group, September, 1992

6. Interim Remedial Measure Report, Bowe Systems and Machinery, H2M Group, February, 1993

7. Phase II Remedial Investigation Workplan, Bowe Systems and Machinery, H2M Group, September, 1993

8. Remedial Investigation/Feasibility Study Report, Bowe Systems and Machinery, H2M Group, November, 1998

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Holzmacher, McLendon & Murrell, P.C. ▲ H2M Associates, Inc.
H2M Labs, Inc. ▲ H2M Construction Management, Inc.
575 Broad Hollow Road, Melville, New York 11747
(631) 756-8000, Fax: (631) 694-4122
e-mail: h2m@h2m.com
web: www.h2m.com

April 29, 2003

Mr. Jamie Ascher
NYSDEC, Region 1
SUNY, Bldg. 40
Stony Brook, NY 11790-2356

Re: Bowe Systec
Site No. 1-30-048
Order on Consent Index No. W1-0587-99-10
Groundwater Monitoring

Dear Mr. Ascher:

On behalf of Bowe Systec Inc. (Bowe), and pursuant to the terms and conditions of the above referenced Order on Consent, we submit herein the results of the quarterly groundwater monitoring event conducted on March 25, 2003. This sampling event represents the final round of groundwater monitoring prior to the DEC delisting the site.

In accordance with the NYSDEC-approved Groundwater Monitoring Plan, quarterly sampling was to be conducted from eight monitoring wells, including two on-site upgradient wells (MW-1 and MW-8), five on-site downgradient wells (MW-3, MW-4, MW-5, MW-6 and MW-7) and one off-site downgradient well (OW-1). As was the case throughout the monitoring program, upgradient well MW-1 was dry. During this most recent monitoring event, MW-7 was also found to be dry. Well MW-4 has been paved over and no longer exists.

Prior to sampling, static water level and well depth measurements to the nearest hundredth (0.01) of a foot were obtained from each well to determine the volume of standing water. To ensure that a representative groundwater sample was collected from each monitoring well, a minimum of three well volumes were purged prior to sampling. Purging was accomplished using a submersible pump. The submersible pump was decontaminated with a non-phosphate cleanser and distilled water between each well. Temperature, pH, and conductivity were measured and recorded after each well was purged.

After the wells were purged, a dedicated, disposable, polyethylene bailer affixed to dedicated polypropylene rope was lowered into the water column to collect a groundwater sample from each well. An equipment blank (field blank) was collected during the sampling to ensure that the sampling equipment was properly decontaminated and that cross contamination between wells

had not occurred. A trip blank accompanied the sampling glassware to the field and back to the laboratory to ensure that sample contamination did not occur during transport.

All groundwater samples and QA/QC samples were analyzed by H2M Labs, Inc. for halogenated volatile organic compounds (VOCs) by EPA Method 601. The primary contaminant of concern at the Bowe site is tetrachloroethene (PCE). A summary of the PCE concentrations in groundwater is provided in Table 1 below. Lab reports are attached.

TABLE 1
TETRACHLOROTHENE (PCE) IN GROUNDWATER (1)

Monitoring Well	6/00	10/00	12/00	3/01	6/01	9/01	12/01	3/02	6/02	9/02	9/02 (2)	12/02	3/03
MW-3	7	<1	31	<1	1.2	<1	<1	<1	<1	<1	<10	1.8	1.4
MW-5	5	6	17	1.2	7.2	5.0	3.4	<1	<1	Dry	Dry	Dry	1.1
MW-6	16	19	36	27	5.4	9.1	<1	24	1.9	4.5	7.0J	<1	<1
MW-7	5	13	17	1.4	5.8	9.1	3.2	<1	<1	Dry	Dry	Dry	Dry
MW-8	7	<1	<1	<1	1.4	3.8	1.3	<1	<1	<1	1.0J	<1	<1
OW-1	7	10	36	<1	8.3	4.4	<1	4.0	3.2	1.0	3.0J	2.0	1.9
Eqpt. Blank	<1	<1	<1	<1	<1	<1	<1	<1	<1	<1	-	<1	<1
Trip Blank	<1	<1	<1	<1	<1	<1	<1	<1	<1	<1	-	<1	<1

Notes: (1) All results reported in micrograms per liter (ug/l)
(2) NYSDEC Split Samples

As indicated in Table 1, PCE was detected in two of three on-site downgradient wells (MW-3 and MW-5) and in the off-site downgradient well (OW-1). In each case, the PCE concentration was below the 5 ug/l Class GA Water Quality Standard. PCE was non-detectable in upgradient well MW-8, on-site downgradient well MW-6 and in both the trip blank and equipment blank. All other halogenated VOCs were non-detectable (less than 1 ug/l).

PCE concentrations have been below the 5 ug/l Class GA Water Quality Standard in all of the monitoring wells for over a year now. Overall, the data continues to indicate that the interim remedial measures taken at the site were successful in removing any continuing source of contamination and that residual traces of PCE in groundwater continue to naturally attenuate.

Static water level measurements were obtained prior to purging each of the monitoring wells. Water level measurements were taken from a surveyed mark on the well casings to the nearest hundredth of a foot. This data was used to prepare a groundwater elevation contour map, which shows the inferred groundwater flow direction and its gradient. Figure 1 depicts the groundwater elevation contours for the March 25, 2003 sampling event. Based on the groundwater contours, local groundwater flow direction was toward the southeast.

The Record of Decision (ROD) required that quarterly groundwater monitoring be conducted for a minimum of three years or until the groundwater standards are achieved. Bowe has completed

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three full years of quarterly monitoring (12 rounds of sampling) and PCE concentrations in all on-site and off-site monitoring wells have been below the groundwater standard of 5 ug/l for over one year now. Bowe has thus completed its obligations under the ROD. Accordingly, we request that Bowe Systec, Inc. be released from the Order on Consent and that the Bowe site be removed from the New York State Registry of Inactive Hazardous Waste Sites. We also request your approval to abandon all of the groundwater monitoring wells (both on-site and off-site wells) in accordance with standard DEC specifications.

If you should have any questions or comments, please contact the undersigned at (631) 756-8000, Extension 1620.

Very truly yours,

HOLZMACHER, McLENDON & MURRELL, P.C.

Gary Miller, P.E.
Vice President

cc: John Lombard/Bowe
Tom Schad/Bowe
Charlotte Biblow, Esq.
Rosalie Rusinko, Esq./NYSDEC
Gary Litwin/NYSDOH

H2M LABS, INC.

575 Broad Hollow Road, Melville NY 11747
(631) 694-3040 FAX (631) 420-8436 NYSDOH ID# 10478

LABORATORY RESULTS

Bowe Bystec

Lab No. : 0303695-001A

Sample Information...
Type : Groundwater

Attn To ;

Origin:

Client ID. ; OW-1

Collected 3/25/2003 1:30:00 PM
Received 3/25/2003 1:35:00 PM
Collected By : MAP03
Copy ; MAP
CC

Parameter(s)	Results	Units	Method Number	Analyzed
Dichlorodifluoromethane	< 1.0	µg/L	E601	4/2/2003 7:59:30 PM
Chloromethane	< 1.0	µg/L	E601	4/2/2003 7:59:30 PM
Vinyl chloride	< 1.0	µg/L	E601	4/2/2003 7:59:30 PM
Bromomethane	< 1.0	µg/L	E601	4/2/2003 7:59:30 PM
Chloroethane	< 1.0	µg/L	E601	4/2/2003 7:59:30 PM
Trichlorofluoromethane	< 1.0	µg/L	E601	4/2/2003 7:59:30 PM
1,1-Dichloroethene	< 1.0	µg/L	E601	4/2/2003 7:59:30 PM
Methylene chloride	< 1.0	µg/L	E601	4/2/2003 7:59:30 PM
trans-1,2-Dichloroethene	< 1.0	µg/L	E601	4/2/2003 7:59:30 PM
1,1-Dichloroethane	< 1.0	µg/L	E601	4/2/2003 7:59:30 PM
Chloroform	< 1.0	µg/L	E601	4/2/2003 7:59:30 PM
1,1,1-Trichloroethane	< 1.0	µg/L	E601	4/2/2003 7:59:30 PM
Carbon tetrachloride	< 1.0	µg/L	E601	4/2/2003 7:59:30 PM
1,2-Dichloroethane	< 1.0	µg/L	E601	4/2/2003 7:59:30 PM
Trichloroethene	< 1.0	µg/L	E601	4/2/2003 7:59:30 PM
1,2-Dichloropropane	< 1.0	µg/L	E601	4/2/2003 7:59:30 PM
Bromodichloromethane	< 1.0	µg/L	E601	4/2/2003 7:59:30 PM
trans-1,3-Dichloropropene	< 1.0	µg/L	E601	4/2/2003 7:59:30 PM
cis-1,3-Dichloropropene	< 1.0	µg/L	E601	4/2/2003 7:59:30 PM
1,1,2-Trichloroethane	< 1.0	µg/L	E601	4/2/2003 7:59:30 PM
Tetrachloroethene	1.9	µg/L	E601	4/2/2003 7:59:30 PM
Dibromochloromethane	< 1.0	µg/L	E601	4/2/2003 7:59:30 PM
Bromoform	< 1.0	µg/L	E601	4/2/2003 7:59:30 PM
1,1,2,2-Tetrachloroethane	< 1.0	µg/L	E601	4/2/2003 7:59:30 PM
2-Chloroethylvinyl ether	< 1.0	µg/L	E601	4/2/2003 7:59:30 PM
Chlorobenzene	< 1.0	µg/L	E601	4/2/2003 7:59:30 PM
1,2-Dichlorobenzene	< 1.0	µg/L	E601	4/2/2003 7:59:30 PM
1,3-Dichlorobenzene	< 1.0	µg/L	E601	4/2/2003 7:59:30 PM
1,4-Dichlorobenzene	< 1.0	µg/L	E601	4/2/2003 7:59:30 PM

Qualifiers: E - Value above quantitation range
D - Results for Dilution

Date Reported : 4/4/2003

QA Manager

H2M LABS, INC.
575 Broad Hollow Road, Melville NY 11747
(631) 694-3040 . FAX (631) 420-8436 NYSDOH ID # 10478

LABORATORY RESULTS

Bowe Systec

Lab No. : 0303695-002A

Sample Information...
Type : Groundwater

Attn To :

Origin:

Client ID. : MW-3

Collected 3/25/2003 11:00:00 AM
Received 3/26/2003 1:35:00 PM
Collected By : MAP03
Copy : MAP
CC

Parameter(s)	Results	Units	Method Number	Analyzed
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Chloromethane	< 1.0	µg/L	E601	4/2/2003 8:56:59 PM
Vinyl chloride	< 1.0	µg/L	E601	4/2/2003 8:56:59 PM
Bromomethane	< 1.0	µg/L	E601	4/2/2003 8:56:59 PM
Chloroethane	< 1.0	µg/L	E601	4/2/2003 8:56:59 PM
Trichlorofluoromethane	< 1.0	µg/L	E601	4/2/2003 8:56:59 PM
1,1-Dichloroethene	< 1.0	µg/L	E601	4/2/2003 8:56:59 PM
Methylene chloride	< 1.0	µg/L	E601	4/2/2003 8:56:59 PM
trans-1,2-Dichloroethene	< 1.0	µg/L	E601	4/2/2003 8:56:59 PM
1,1-Dichloroethane	< 1.0	µg/L	E601	4/2/2003 8:56:59 PM
Chloroform	< 1.0	µg/L	E601	4/2/2003 8:56:59 PM
1,1,1-Trichloroethane	< 1.0	µg/L	E601	4/2/2003 8:56:59 PM
Carbon tetrachloride	< 1.0	µg/L	E601	4/2/2003 8:56:59 PM
1,2-Dichloroethane	< 1.0	µg/L	E601	4/2/2003 8:56:59 PM
Trichloroethene	< 1.0	µg/L	E601	4/2/2003 8:56:59 PM
1,2-Dichloropropane	< 1.0	µg/L	E601	4/2/2003 8:56:59 PM
Bromodichloromethane	< 1.0	µg/L	E601	4/2/2003 8:56:59 PM
trans-1,3-Dichloropropene	< 1.0	µg/L	E601	4/2/2003 8:56:59 PM
cis-1,3-Dichloropropene	< 1.0	µg/L	E601	4/2/2003 8:56:59 PM
1,1,2-Trichloroethane	< 1.0	µg/L	E601	4/2/2003 8:56:59 PM
Tetrachloroethene	1.4	µg/L	E601	4/2/2003 8:56:59 PM
Dibromochloromethane	< 1.0	µg/L	E601	4/2/2003 8:56:59 PM
Bromoform	< 1.0	µg/L	E601	4/2/2003 8:56:59 PM
1,1,2,2-Tetrachloroethane	< 1.0	µg/L	E601	4/2/2003 8:56:59 PM
2-Chloroethylvinyl ether	< 1.0	µg/L	E601	4/2/2003 8:56:59 PM
Chlorobenzene	< 1.0	µg/L	E601	4/2/2003 8:56:59 PM
1,2-Dichlorobenzene	< 1.0	µg/L	E601	4/2/2003 8:56:59 PM
1,3-Dichlorobenzene	< 1.0	µg/L	E601	4/2/2003 8:56:59 PM
1,4-Dichlorobenzene	< 1.0	µg/L	E601	4/2/2003 8:56:59 PM

Qualifiers: E - Value above quantitation range
D - Results for Dilution

Date Reported : 4/4/2003

QA Manager

H2M LABS, INC.
575 Broad Hollow Road, Melville NY 11747
(631) 694-3040 FAX: (631) 420-8436 NYSDOH ID# 10478

LABORATORY RESULTS

Bowe Systec

Lab No. : 0303695-003A

Sample Information...
Type : Groundwater

Attn To :

Origin:

Client ID. : MW-8

Collected 3/25/2003 12:05:00 PM
Received 3/25/2003 1:35:00 PM
Collected By : MAP03
Copy : MAP
CC

Parameter(s)	Results	Units	Method Number	Analyzed
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Chloromethane	< 1.0	µg/L	E601	4/2/2003 9:54:27 PM
Vinyl chloride	< 1.0	µg/L	E601	4/2/2003 9:54:27 PM
Bromomethane	< 1.0	µg/L	E601	4/2/2003 9:54:27 PM
Chloroethane	< 1.0	µg/L	E601	4/2/2003 9:54:27 PM
Trichlorofluoromethane	< 1.0	µg/L	E601	4/2/2003 9:54:27 PM
1,1-Dichloroethene	< 1.0	µg/L	E601	4/2/2003 9:54:27 PM
Methylene chloride	< 1.0	µg/L	E601	4/2/2003 9:54:27 PM
trans-1,2-Dichloroethene	< 1.0	µg/L	E601	4/2/2003 9:54:27 PM
1,1-Dichloroethane	< 1.0	µg/L	E601	4/2/2003 9:54:27 PM
Chloroform	< 1.0	µg/L	E601	4/2/2003 9:54:27 PM
1,1,1-Trichloroethane	< 1.0	µg/L	E601	4/2/2003 9:54:27 PM
Carbon tetrachloride	< 1.0	µg/L	E601	4/2/2003 9:54:27 PM
1,2-Dichloroethane	< 1.0	µg/L	E601	4/2/2003 9:54:27 PM
Trichloroethene	< 1.0	µg/L	E601	4/2/2003 9:54:27 PM
1,2-Dichloropropane	< 1.0	µg/L	E601	4/2/2003 9:54:27 PM
Bromodichloromethane	< 1.0	µg/L	E601	4/2/2003 9:54:27 PM
trans-1,3-Dichloropropene	< 1.0	µg/L	E601	4/2/2003 9:54:27 PM
cis-1,3-Dichloropropene	< 1.0	µg/L	E601	4/2/2003 9:54:27 PM
1,1,2-Trichloroethane	< 1.0	µg/L	E601	4/2/2003 9:54:27 PM
Tetrachloroethene	1.1	µg/L	E601	4/2/2003 9:54:27 PM
Dibromochloromethane	< 1.0	µg/L	E601	4/2/2003 9:54:27 PM
Bromoform	< 1.0	µg/L	E601	4/2/2003 9:54:27 PM
1,1,2,2-Tetrachloroethane	< 1.0	µg/L	E601	4/2/2003 9:54:27 PM
2-Chloroethylvinyl ether	< 1.0	µg/L	E601	4/2/2003 9:54:27 PM
Chlorobenzene	< 1.0	µg/L	E601	4/2/2003 9:54:27 PM
1,2-Dichlorobenzene	< 1.0	µg/L	E601	4/2/2003 9:54:27 PM
1,3-Dichlorobenzene	< 1.0	µg/L	E601	4/2/2003 9:54:27 PM
1,4-Dichlorobenzene	< 1.0	µg/L	E601	4/2/2003 9:54:27 PM

Qualifiers: E - Value above quantitation range
D - Results for Dilution

Date Reported : 4/4/2003

QA Manager

H2M LABS, INC.

575 Broad Hollow Road, Melville NY 11747
(631) 694-3040 FAX (631) 420-8436 NYSDOH ID# 10478

LABORATORY RESULTS

Bowe Systec

Lab No. : 0303695-004A

Sample Information...
Type : Groundwater

Attn To :

Origin:

Client ID. : MW-6

Collected 3/25/2003 11:30:00 AM
Received 3/26/2003 1:35:00 PM
Collected By : MAP03
Copy : MAP
CC

Parameter(s)	Results	Units	Method Number	Analyzed
Dichlorodifluoromethane	< 1.0	µg/L	E601	4/2/2003 10:51:19 PM
Chloromethane	< 1.0	µg/L	E601	4/2/2003 10:51:19 PM
Vinyl chloride	< 1.0	µg/L	E601	4/2/2003 10:51:19 PM
Bromomethane	< 1.0	µg/L	E601	4/2/2003 10:51:19 PM
Chloroethane	< 1.0	µg/L	E601	4/2/2003 10:51:19 PM
Trichlorofluoromethane	< 1.0	µg/L	E601	4/2/2003 10:51:19 PM
1,1-Dichloroethene	< 1.0	µg/L	E601	4/2/2003 10:51:19 PM
Methylene chloride	< 1.0	µg/L	E601	4/2/2003 10:51:19 PM
trans-1,2-Dichloroethene	< 1.0	µg/L	E601	4/2/2003 10:51:19 PM
1,1-Dichloroethane	< 1.0	µg/L	E601	4/2/2003 10:51:19 PM
Chloroform	< 1.0	µg/L	E601	4/2/2003 10:51:19 PM
1,1,1-Trichloroethane	< 1.0	µg/L	E601	4/2/2003 10:51:19 PM
Carbon tetrachloride	< 1.0	µg/L	E601	4/2/2003 10:51:19 PM
1,2-Dichloroethane	< 1.0	µg/L	E601	4/2/2003 10:51:19 PM
Trichloroethene	< 1.0	µg/L	E601	4/2/2003 10:51:19 PM
1,2-Dichloropropane	< 1.0	µg/L	E601	4/2/2003 10:51:19 PM
Bromodichloromethane	< 1.0	µg/L	E601	4/2/2003 10:51:19 PM
trans-1,3-Dichloropropene	< 1.0	µg/L	E601	4/2/2003 10:51:19 PM
cis-1,3-Dichloropropene	< 1.0	µg/L	E601	4/2/2003 10:51:19 PM
1,1,2-Trichloroethane	< 1.0	µg/L	E601	4/2/2003 10:51:19 PM
Tetrachloroethene	< 1.0	µg/L	E601	4/2/2003 10:51:19 PM
Dibromochloromethane	< 1.0	µg/L	E601	4/2/2003 10:51:19 PM
Bromoform	< 1.0	µg/L	E601	4/2/2003 10:51:19 PM
1,1,2,2-Tetrachloroethane	< 1.0	µg/L	E601	4/2/2003 10:51:19 PM
2-Chloroethylvinyl ether	< 1.0	µg/L	E601	4/2/2003 10:51:19 PM
Chlorobenzene	< 1.0	µg/L	E601	4/2/2003 10:51:19 PM
1,2-Dichlorobenzene	< 1.0	µg/L	E601	4/2/2003 10:51:19 PM
1,3-Dichlorobenzene	< 1.0	µg/L	E601	4/2/2003 10:51:19 PM
1,4-Dichlorobenzene	< 1.0	µg/L	E601	4/2/2003 10:51:19 PM

Qualifiers: E - Value above quantitation range
D - Results for Dilution

Date Reported : 4/4/2003

QA Manager

PROPOSED REMEDIAL ACTION PLAN

BOWE SYSTEMS AND MACHINERY
Hicksville, Nassau County, New York
Site No. 1-30-048
January 1999

SECTION 1: PURPOSE OF THE PROPOSED PLAN

The New York State Department of Environmental Conservation (NYSDEC) in consultation with the New York State Department of Health (NYSDOH) is proposing no further action with continued groundwater monitoring for the Bowe Systems and Machinery site. The findings of the investigation of this site indicate that the site no longer poses a threat to human health or the environment.

This Proposed Remedial Action Plan (PRAP) identifies the preferred remedy, summarizes the other alternatives considered, and discusses the reasons for this preference. The NYSDEC will select a final remedy for the site only after careful consideration of all comments received during the public comment period.

The NYSDEC has issued this PRAP as a component of the citizen participation plan developed pursuant to the New York State Environmental Conservation Law (ECL) and 6 NYCRR Part 375. This document is a summary of the information that can be found in greater detail in the Remedial Investigation (RI) and Feasibility Study (FS) reports available at the document repositories:

To better understand the site, and the investigations conducted, the public is encouraged to review the project documents at the following repositories:

NYSDEC
50 Wolf Road
Albany, NY 12233
(518) 457-0747
Monday - Friday, 8:30 a.m.- 4:45 p.m.

NYSDEC - Region 1
SUNY, Bldg. 40
Stony Brook, NY 11790
(516) 444-0240
Monday - Friday, 8:30 a.m.- 4:45 p.m.

Hicksville Public Library
169 Jerusalem Avenue
Hicksville, NY 11801
(516) 931-1417

The NYSDEC seeks input from the community on all PRAPs. A public comment period has been set from January 27, 1999 to February 24, 1999 to provide an opportunity for public participation in the remedy selection process for this site. A public meeting is scheduled for February 3, 1999 at Hicksville Middle School beginning at 7:00 p.m.

At the meeting, the results of the RI/FS will be presented along with a summary of the proposed remedy. After the presentation, a question and answer period will be held, during which you can submit verbal or written comments on the PRAP.

The NYSDEC may modify the preferred alternative or select another of the alternatives presented in this PRAP, based on new information or public comments. Therefore, the public is encouraged to review and comment on all of the alternatives identified here.

Comments will be summarized and responses provided in the Responsiveness Summary section of the Record of Decision. The Record of Decision is the NYSDEC's final selection of the remedy for this site. Written comments may be sent to Mr. Jamie Ascher at the NYSDEC Stony Brook address.

SECTION 2: SITE LOCATION AND DESCRIPTION

The Bowe Systems and Machinery site #1-30-048 is located at 200 Frank Road in the City of Hicksville, Town of Oyster Bay, Nassau County, New York. The facility is located on a 2.1 acre parcel of land. The site is paved on the east and south sides and contains a one story masonry building approximately 25,000 square feet in size. Adjacent to the site to the north and west are light industrial and commercial facilities. Residential homes are situated to the southeast of the site. A site location map is presented in Figure 1.

Two inactive hazardous waste disposal sites are located within 0.25 miles of the site. They are:

- Magnusonic Devices, Inc., Site Number 1-30-031, 0.2 miles northeast

- Alsy Manufacturing, Site Number 1-30-027, 0.25 miles northeast

A public water supply wellfield is located approximately 4000 feet south of the site. The wellfield is operated by the Hicksville Water District. Residential homes and businesses in the area are connected to the public water supply. There are no known private drinking water wells being utilized in the area.

SECTION 3: SITE HISTORY

3.1: Operational/Disposal History

Bowe Systems and Machinery (Bowe) occupied the site from 1990 until 1991. The company vacated the facility in 1991 before returning again in 1994. Bowe sells automated mail/letter processing equipment. American Permac, a sister company of Bowe, imported, assembled and tested dry cleaning machinery at the site during the late 1980s. American Permac ceased operations in 1990. During the testing of dry cleaning machinery, tetrachloroethylene (PCE) was used. During routine operation and testing, PCE was not discharged at the site. However, in 1989, a spill of approximately 10 - 15 gallons of PCE occurred into the floor drain system which discharged into an on site leaching pool system. There is no record of prior spills.

Prior to 1990: Site occupied by American Permac.

1990 - 1991: Site occupied by Bowe Systems and Machinery.

1991 - 1994: Building vacant.

1994 - 1998: Site occupied by Bowe Systems and Machinery.

3.2: Remedial History

The following is a chronological listing of investigations and remedial measures performed at the site.

December 1989: An environmental assessment was conducted by Soil Mechanics Drilling Corp. in response to an accidental discharge of PCE at the site. The investigation revealed elevated concentrations of PCE in the soil in three leaching pools (DW-1, 2, 3) and in the soil beneath a former spray paint booth. Four groundwater monitoring wells were installed on-site (MW-1, 2, 3, 4). Sampling and analysis of the monitoring wells detected PCE at 130 ppb and 8100 ppb in downgradient monitoring wells MW-3 and MW-4, respectively (Figure 2). Site specific groundwater flow direction was determined to be nearly due south.

March 1991: Based upon the soil quality data generated during the December 1989 environmental assessment, the PRP hired Fenley & Nicol Co. Inc. to conduct an interim remedial measure (IRM). Soil analysis detected PCE in the bottom sediments of leaching pools DW-1, DW-2 and DW-3 at 2400 ppm, 0.14 ppm and 10 ppm, respectively.

March 4 - 7, 1991: Excavation commenced as approximately 450 tons of contaminated soil were removed from leaching pools DW-1, DW-2 and DW-3 (Figure 2, Area 1). These leaching pools were connected in series. The soil was removed by a licensed waste hauler to an approved Treatment, Storage and Disposal Facility (TSDF). The final excavation extended to a maximum depth of 29 feet below land surface (bls) along the north side of the excavation and 17 feet bls along the south side. Upon completion of the excavation, a total of nine confirmatory soil samples were acquired for VOC analysis. Three confirmatory soil samples were taken from the bottom of the excavation, two from the east sidewall, two from the west sidewall, one from the north sidewall and one from the south sidewall. Analysis of the confirmatory soil samples revealed PCE concentrations below 1 ppm in all samples. Upon completion of the excavation, the piping from the building to the leaching pool system was disconnected and sealed. Upon completion of the IRM, three additional monitoring wells (MW-5, 6, 7) were installed on-site (Figure 2).

October 18, 1991: Site is listed in the New York State Registry of Inactive Hazardous Waste Disposal Sites as a Class 2 site.

August 1992: Prior to executing an Order on Consent, the PRP hired H2M Group to conduct a Site Screening Investigation (SSI). The objectives of the SSI were to investigate the following areas of concern: Area 1 (DW-1, 2, 3); Area 2 (DW-8 in loading dock); Area 3 (former spray paint booth); and Area 4 (sanitary leaching pool system on north side of building) (Figure 2).

The results of the SSI are as follows:

Area 1: VOC analysis of soil beneath Area 1 revealed the following detections: DW-1 (30'-32'bls) < 1ppm total VOCs, (40'-42'bls) < 1ppm total VOCs; DW-2 (14'-16'bls) < 1ppm total VOCs; DW-3 (23'-25'bls) < 1ppm total VOCs (Figure 2).

Area 2: VOC analysis of the soil from this leaching pool revealed the following detection; (10'-12'bls) 0.081 ppm PCE (Figure 2).

Area 3: A soil gas survey revealed elevated concentrations of VOCs. Two soil samples were acquired from locations exhibiting the highest photoionization detector (PID) responses and were analyzed for VOCs revealing the following detections: SB-1 (2'-4'bls) 2.3 ppm PCE; SB-2 (2'-4'bls) 0.91 ppm PCE (Figure 2).

Area 4: Sludge samples were acquired for VOC analysis from the bottom of the two sanitary leaching pools (LP-1, LP-2) and a septic tank (ST) and revealed the following: LP-1 < 1 ppm total VOCs, LP-2 1.98 ppm total VOCs, ST < 1 ppm total VOCs (Figure 2).

As a result of the SSI, the following IRMs were undertaken during September, 1992:

Area 1: Based upon the soil quality data generated during the SSI no further action was taken at DW-1, 2, or 3.

Area 2: Utilizing a vacuum truck the bottom five feet of soil/sediment was removed from the bottom of DW-8 and transported to Athens Hocking Reclamation Center, an approved TSDF.

Area 3: Approximately 27 cubic yards of soil was excavated from the location of the former spray paint booth. The excavation measured approximately 4' deep x 12' wide x 15' long. Confirmatory soil samples revealed total VOC concentrations below 1 ppm at the base of the excavation. The excavated soil was transported off-site on October 7, 1992 and disposed of at Athens Hocking Reclamation Center.

Area 4: 3,000 gallons of liquid were removed from the sanitary leaching pool system and discharged with approval to the local publicly owned treatment works (Cedar Creek). A vacuum truck was utilized to remove the bottom three feet of sludge/sediment from leaching pool LP-2. On October 7, 1992, this material was transported to Athens Hocking Reclamation Center. Thereafter, the facility was connected to the municipal sewer system.

SECTION 4: SITE CONTAMINATION

To evaluate the contamination present at the site and to evaluate alternatives to address the significant threat to human health and the environment, Bowe Systec, Inc. has recently conducted a Remedial Investigation/Feasibility Study (RI/FS).

4.1: Summary of the Remedial Investigation

The purpose of the RI was to define the nature and extent of any contamination resulting from previous activities at the site.

The RI was conducted in two phases. The Phase I RI was conducted beginning in September, 1992. The Phase II RI began in September, 1993. A report entitled Remedial Investigation/Feasibility Study dated November, 1998 has been prepared which describes the field activities and findings of the RI in detail.

The Phase I RI and Phase II RI included the following activities:

- *Advance soil borings in areas of concern and acquire soil samples for laboratory analysis.*
- *Install two additional on-site groundwater monitoring wells. Acquire groundwater samples for laboratory analysis from selected monitoring wells.*
- *Install seven temporary off-site groundwater monitoring wells downgradient of the site and acquire groundwater samples at discrete depth intervals to ascertain the areal extent, both vertically and horizontally, of groundwater contamination.*
- *Install and sample one permanent off-site downgradient groundwater monitoring well.*
- *Conduct aquifer characteristics testing to further define groundwater flow conditions in the vicinity of the site.*

To determine which media (soil and groundwater) contain contamination at levels of concern, the RI analytical data was compared to environmental Standards, Criteria, and Guidance (SCGs). Groundwater, drinking water and surface water SCGs identified for the Bowe Systems and Machinery site are based on NYSDEC Ambient Water Quality Standards and Guidance Values and Part V of NYS Sanitary Code. For soils, NYSDEC TAGM #4046 provides soil cleanup objectives for the protection of groundwater, background conditions, and health based exposure scenarios.

Based upon Remedial Investigation results, in comparison to the SCGs and potential public health and environmental exposure routes, certain areas and media of the site require further monitoring. These are summarized below. More complete information can be found in the RI Report.

Chemical concentrations are reported in parts per billion (ppb) and parts per million (ppm). For comparison purposes, where applicable, SCGs are provided for each medium.

4.1.1 Nature of Contamination:

As described in the RI Report, many soil and groundwater samples were collected at the site to characterize the nature and extent of contamination. The main categories of contaminants which exceed their SCGs are volatile organic compounds (VOCs).

The solvents used in dry cleaning are types of VOCs, so the contamination found at the site is consistent with what would be expected at a dry cleaning site. The specific VOC found at the Bowe Systems and Machinery site was PCE.

4.1.2 Extent of Contamination

The following are the media which were investigated and a summary of the findings of the investigation.

Soil

Confirmatory soil samples previously acquired from on-site leaching pools DW-1, 2 and 3 revealed that the IRM conducted in March, 1991 was successful. Therefore, further investigation of these pools was not necessary during the RI.

In order to ascertain whether any additional on-site leaching pools were contaminated, soil borings were advanced through on-site leaching pools DW-4, 5, 6, 7 and 8 (Figure 2). Split spoon soil samples were acquired every five feet vertically until no two consecutive samples exhibited a response on the PID. The two soil samples from each leaching pool that exhibited the highest PID reading were submitted for VOC analysis. Of the ten soil samples acquired from these leaching pools, laboratory analysis revealed PCE concentrations below the TAGM #4046 cleanup objective for PCE in four of the ten samples and no detections of PCE in the remaining six samples. The recommended soil cleanup objective for PCE is 1.4 ppm.

In order to determine whether any residual soil contamination existed around the former spray paint booth (Figure 2), a soil gas survey was conducted to aid in the selection of soil boring locations. Two soil borings were advanced and two soil samples were acquired from each boring and submitted for VOC analysis. Two surface soil samples were acquired via hand auger for laboratory analysis. The highest level of PCE contamination was observed in soil boring SBC-1 at 5-7 feet bls at 0.14 ppm. The remaining five soil samples also contained levels of PCE well below soil cleanup guidelines.

Based upon soil quality data generated during the SSI, a soil boring was advanced through LP-2 in order to determine the extent of residual soil contamination in the sanitary system (Figure 2). Soil samples were acquired for laboratory analysis at the 17-19 foot depth and 27-29 foot depth. Neither sample revealed VOC contamination. Subsequent to the RI sampling, the Bowe facility was connected to the municipal sewer system and the sanitary system was abandoned under the supervision and protocols of the Nassau County Department of Health (NCDH).

Groundwater

To help further define groundwater quality on-site, two additional groundwater monitoring wells (MW-8, MW-9) were installed in November, 1992 (Figure 3). Laboratory analysis of groundwater samples acquired in November, 1992 revealed the following detections of PCE: MW-1; non-detect, MW-3; 95 ppb, MW-5; 130ppb, MW-6; 450 ppb, MW-8; non-detect, MW-9; non-detect (Table 2). The groundwater standard for PCE is 5 ppb.

To ascertain the areal extent of VOC contamination in groundwater downgradient of the site, seven temporary groundwater monitoring wells were installed off-site and groundwater samples acquired for VOC analysis (Figure 3).

Based upon the results of computer modeling, in July, 1993, groundwater samples were collected from off-site exploratory wells EW-2, EW-3 and EW-4 (Figure 3) at five depth intervals, top of the water table which is approximately 60' below land surface (bls), 80'-85' bls, 105'-110' bls, 130'-135' bls and 155'-160' bls. While PCE was not detected in any of these groundwater samples (Table 3), trichloroethene (TCE) was detected in EW-3 at the following depths and concentrations: 60' bls (21 ppb), 80'-85' bls (24 ppb), 105'-110' bls (23 ppb), 130'-135' bls (8 ppb), 155'-160' bis (10 ppb). The groundwater standard for TCE is 5 ppb.

A second round of off-site exploratory wells (EW-5, 7, 8, 9) were installed in July, 1995 (Figure 3). Two groundwater samples were acquired at each well location. The first sample was acquired at the water table and the second sample was acquired approximately 20-25 feet below the water table. Analytical results for this round of groundwater sampling are summarized in Table 3.

In July, 1997, a permanent off-site groundwater monitoring well (OW-1) was constructed downgradient of the site (Figure 3). Prior to construction of the well, groundwater was sampled at three depths. The first sample was acquired at the water table, approximately 55' bls. A second groundwater sample was acquired at 77' bls and a third sample was acquired at a depth of 92' bls. Laboratory analysis of these samples revealed the following detections of PCE: 55' bls (34 ppb), 77' bls (24 ppb), 92' bls (non-detect). Analytical results for this round of groundwater samples are summarized in Table 3. Upon completion of this sampling effort, a permanent groundwater monitoring well (OW-1) was constructed at the water table.

4.2 Summary of Human Exposure Pathways:

This section discusses the potential pathways of exposure for people living near the Bowe Systems and Machinery site. A more detailed discussion of the exposure pathways can be found in Section 7 of the RI Report. An exposure pathway is how an individual may come in contact with a contaminant. The elements of an exposure pathway include: the source of contamination; the contaminated environmental media (i.e., .soil, water, and air); the manner the contaminant migrates from the source; the location where one may be exposed to the contamination; how the contaminant enters the body (i.e., inhalation, ingestion, and or absoption through the skin); and the population exposed to the contamination.

The potential pathways of exposure of concern at the Bowe Systems and Machinery site include the ingestion of contaminated groundwater and contact with contaminated soil. VOCs associated with the site have been detected in on-site groundwater and subsurface soil, and in off-site groundwater monitoring wells.

The potential for exposure to site related contamination in soil has been significantly reduced since all areas of soil contamination identified during site investigations have been excavated and removed off-site. Residual soil contamination is located subsurface and the majority of the site is either paved or covered by the facility building, thus limiting the possibility of contact with on-site soil. Furthermore, residual levels of VOCs in on-site soils are below those levels identified in TAGM #4046 as protective of human health and the environment.

Exposure to site-related contaminants in drinking water is not expected since homes and businesses near the site are connected to public water. The public water supply is sampled on a quarterly basis and must meet New York State Department of Health (NYSDOH) drinking water standards. The nearest public drinking water supply wells are located approximately 4000 feet downgradient from the site and are owned and operated by the Hicksville Water District. Since VOCs have been detected in the Water District's water supply wells, wellhead treatment is necessary in order to meet NYSDOH standards. The Bowe Systems and Machinery site is not thought to be the source of these contaminants.

The excavation and removal of contaminated soil from the Bowe Systems and Machinery site has significantly reduced the level of site-related VOCs in the groundwater. Based on this observation it is unlikely that the low levels of VOCs migrating from the site in groundwater could have a significant impact on the Hicksville Water District wellfield.

In addition to the groundwater investigations which were undertaken at the site, computer fate and transport modeling indicates that if contaminated groundwater were ever to reach the public water supply wells, it would be at concentrations well below the NYSDOH standards.

4.3 Summary of Environmental Exposure Pathways:

There are no known environmental exposure pathways at this site.

SECTION 5: ENFORCEMENT STATUS

Potentially Responsible Parties (PRPs) are those who may be legally liable for contamination at a site. This may include past or present owners and operators, waste generators, and haulers.

The following is the chronological enforcement history of this site.

Orders on Consent

Date	Index	Subject
9/24/92	W1-0587-92-03	RI/FS/IRM

The NYSDEC and Bowe Systec, Inc. entered into a Order on Consent on September 24, 1992. The Order obligates the responsible party to implement a RI/FS. Upon issuance of the Record of Decision, the NYSDEC will approach the PRP to implement the selected remedy under an Order on Consent.

SECTION 6: SUMMARY OF THE REMEDIATION GOALS

Goals for the remedial program have been established through the remedy selection process stated in 6 NYCRR Part 375-1.10. The overall remedial goal is to restore the site to pre-disposal conditions, to the extent feasible as authorized by law.

At a minimum, the remedy selected should eliminate or mitigate all significant threats to public health and to the environment presented by the hazardous waste disposed at the site through the proper application of scientific and engineering principles.

The goals selected for this site are:

- *Mitigate the impacts of contaminated groundwater to the environment or human health.*
- *Provide for attainment of SCGs for groundwater quality at the limits of the area of concern (AOC), to the extent practicable.*

SECTION 7: SUMMARY OF THE EVALUATION OF ALTERNATIVES

The selected remedy should be protective of human health and the environment, be cost effective, comply with other statutory laws and utilize permanent solutions, alternative technologies or resource recovery technologies to the maximum extent practicable. Potential remedial alternatives for the Bowe Systems and Machinery site were identified, screened and evaluated in the report entitled Remedial Investigation/Feasibility Study Report, November, 1998.

A summary of the detailed analysis follows. As presented below, the time to implement reflects only the time required to construct the remedy, and does not include the time required to design the remedy, procure contracts for design and construction or to negotiate with responsible parties for implementation and operation of the remedy.

7.1: Description of Alternatives

The potential remedies are intended to address the contaminated groundwater at the site.

Alternative 1: No Further Action with Long Term Monitoring

Present Worth:	$ 83,010
Capital Cost:	$ None
Annual O&M:	$ 10,750
Time to Implement:	Immediately

This alternative recognizes remediation of the site conducted under previously completed IRMs and the effects of natural attenuation. Based upon RI/FS data,

continued groundwater monitoring would be required to evaluate the effectiveness of past remedial activities at the site. Groundwater samples would be acquired from monitoring wells MW-1, MW-3, MW-4, MW-5, MW-6, MW-7, MW-8 and off-site well OW-1 on a quarterly basis for up to ten years. Groundwater levels would be taken during each sampling event in order to calculate and confirm groundwater flow direction.

Alternative 2a: Groundwater Extraction and Treatment by Air Stripping

Present Worth:	$ 899,370
Capital Cost:	$ 175,925
Annual O&M:	$ 93,690
Time to Implement:	6 - 12 months

Under this alternative groundwater treatment would be provided by a counter-current packed tower air stripper. Untreated groundwater would be pumped to the top of a packed column which contains a specified height and cross sectional area of inert packing material along with water distribution and collection systems. The column would receive ambient air under pressure in an upward vertical direction from the bottom of the column as the groundwater flows downward. This desorption process involves the mass transfer of contaminants from the liquid phase to the gaseous phase.

Groundwater recovery wells would be installed in the vicinity of MW-6, where the highest concentrations of PCE have been observed. On-site discharge of treated groundwater would require the installation of recharge basins to accommodate the daily volume of treated groundwater to be recharged. Remedial effectiveness would be evaluated through a groundwater monitoring program.

Alternative 2b: Groundwater Extraction and Treatment by Carbon Adsorption

Present Worth:	$ 1,147,390
Capital Cost:	$ 196,075
Annual O&M:	$ 123,200
Time to Implement:	6 - 12 months

Groundwater treatment would be provided by a series of granular activated carbon (GAC) adsorption units. Based upon the estimated pumping rates and projected VOC loading, three 1000 pound carbon filters would be required. Two carbon units set in series would be on-line at any given time. A third unit would be in standby mode until the first unit requires regeneration.

Adsorption is a natural process in which molecules of a liquid or gas are attracted to and then held at the surface of a solid. Contaminants in the untreated water adsorb onto the GAC. The adsoptive capacity of the carbon varies with the nature and concentration of the contaminants. As the contaminant loading on the carbon reaches the adsorptive capacity of the carbon near the top of the filter, the interface between the saturated and the clean carbon moves downward through the carbon bed inside the pressure vessel. Once the carbon in the filter vessel is fully loaded with contaminants, carbon regeneration is necessary.

Groundwater recovery wells would be installed in the vicinity of MW-6, where the highest concentrations of PCE have been observed. On-site discharge of treated groundwater would require the installation of recharge basins to accommodate the daily volume of treated groundwater to be recharged. A groundwater monitoring program would be necessary to evaluate the effectiveness of the remedial alternative.

Alternative 2c: Groundwater Extraction and Treatment by UV Oxidation

Present Worth:	$ 1,618,450
Capital Cost:	$ 334,025
Annual O&M	$ 166,340
Time to Implement:	6 - 12 months

Using ultraviolet (UV) oxidation, the groundwater treatment system would consist of a hydrogen peroxide feed system in conjunction with an oxygen or air source and a UV oxidation reactor. The combination of UV light and a chemical oxidant, such as hydrogen peroxide, breaks down VOCs by photochemical oxidation.

Based upon estimated pumping rates and VOC loading, a single UV lamp, 30 kilowatt unit, would be required. Pilot testing would be required during the design to determine the exact equipment sizing and whether any pretreatment would be required to remove naturally occurring metals which might impede the transmission of UV radiation.

Groundwater recovery wells would be installed in the vicinity of MW-6, where the highest concentrations of PCE have been observed. On-site discharge of treated groundwater would require the installation of recharge basins to accommodate the daily volume of treated groundwater to be recharged. A groundwater monitoring program would be necessary to evaluate the effectiveness of the remedial alternative.

Alternative 3: Groundwater Treatment by In-Situ Air Sparging

Present Worth:	$ 501,410
Capital Cost:	$ 137,020
Annual O&M:	$ 47,190
Time to Implement:	6 months

Under this alternative, groundwater beneath the site would be treated using a series of air sparge points and vapor extraction wells. Air sparging is a process where air is introduced under pressure below the water table to increase the rate of volatilization of VOCs in the saturated zone. Air sparging is most commonly used at sites with unconsolidated overburden such as sand and gravel, or other relatively permeable formations. It is generally used in conjunction with vapor extraction to effectively capture VOCs volatilized from the saturated zone as well as reduce VOC levels in the unsaturated zone.

Air sparge wells would be installed in the vicinity of MW-6, where the highest concentrations of PCE have been observed. As with the groundwater pump and treatment alternatives, this alternative would also require a groundwater monitoring program to evaluate the effectiveness of the remedial alternative.

7.2 Evaluation of Remedial Alternatives

The criteria used to compare the potential remedial alternatives are defined in the regulation that directs the remediation of inactive hazardous waste sites in New York State (6NYCRR Part 375). For each of the criteria, a brief description is provided followed by an evaluation of the alternatives against that criterion. A detailed discussion of the evaluation criteria and comparative analysis is included in the Feasibility Study.

The first two evaluation criteria are termed threshold criteria and must be satisfied in order for an alternative to be considered for selection.

1. Compliance with New York State Standards, Criteria, and Guidance (SCGs). Compliance with SCGs addresses whether or not a remedy will meet applicable environmental laws, regulations, standards, and guidance.

Alternative 1 would not immediately meet the SCGs for groundwater quality standards. However, natural attenuation would restore the aquifer to the groundwater quality standards over a period of several years. The existing public water supply regulations are in effect to ensure that the drinking water standards are met within the public water supply distribution system. This would be the same regardless of the alternative selected. The existing wellhead treatment at the North Stewart Avenue wellfield ensures compliance with the NYS drinking water standards. Alternative 1, while not immediately meeting SCGs, would be an acceptable alternative given the relatively low concentrations of PCE recently observed in the downgradient monitoring wells on and off the site.

Alternatives 2a, 2b, 2c and 3 would also result in groundwater eventually complying with the applicable SCGs.

2. Protection of Human Health and the Environment. This criterion is an overall evaluation of the health and environmental impacts to assess whether each alternative is protective:

COMMERCE BANK, N.A.

August 8, 2003

Mr. Frederick Von Bargen
200 Frank Road
Hicksville, New York 11801

RE: Premises located at 200 Frank Road, Hicksville, New York 11801

Dear Mr. Von Bargen:

We are pleased to advise you that Commerce Bank, N.A. (the "**Lender**") has approved the request of Frederick Von Bargen (the "**Borrower**") for a commercial mortgage loan (the "**Loan**(s)") to Borrower to be more fully set forth in the various documents (the "**Loan Documents**") to be executed by Borrower and Guarantors named below, subject to the fulfillment of the following terms and conditions:

BORROWER:	Frederick Von Bargen, or a real estate entity of which Frederick Von Bargen is the sole owner.
GUARANTOR(S)	Nanoia Recycling Equipment, Inc., 134 Plainfield Ave., Elmont, New York 11003
	Frath Machinery Corp., 134 Plainfield Ave., Elmont, New York 11003
	Frederick Von Bargen, 420 Center Island Road, Oyster Bay, New York 11771
GUARANTEES:	Unlimited Guaranty of Payment
ADA and ENVIRONMENTAL INDEMNITY:	Borrower and Guarantors
PURPOSE:	To acquire 200 Frank Road, Hicksville, New York (the "**Property**").]

LOAN AMOUNT: $1,500,000

INTEREST RATE:
The Loan shall bear interest from the date of Closing until the fifth anniversary thereof (a "Rate Adjustment Date") at the fixed interest rate of six (6%) percent per annum (the **"Interest Rate"**). On the Rate Adjustment Date and on each fifth year anniversary thereafter, the interest rate shall adjust to a rate set by the Bank. The interest shall be calculated on the basis of a 360-day year and shall be charged for the actual number of days elapsed.

PAYMENT TERMS:

The Loan shall be payable in two hundred thirty nine consecutive monthly payments of approximate **$10,746.46** principal and interest, based on a twenty (20) year amortization schedule; and one (1) final balloon payment of all outstanding principal and accrued interest due and payable at that time. Said monthly payments shall be due on the first day of each month commencing on the first day of second month after the Closing. Interest from the date of Closing through the last day of the month in which Closing occurs shall be payable at Closing.

DEFAULT RATE OF INTEREST:
The Loan Documents will contain a provision for a "default rate of interest" that is three (3%) percent in excess of the Interest Rate in effect prior to default.

LATE CHARGES:
The Loan Documents will contain a provision for a late charge of five (5%) percent of any payment which is more than fifteen (15) days overdue.

REAL ESTATE TAX & INSURANCE ESCROW: (If Applicable)
At the option of Lender, Borrower shall pay to Lender 1/12th of the annual real estate taxes and casualty insurance premiums due on the Property securing the Loan as are reasonably estimated by Lender from time to time. Such payments shall be held by Lender in a (non) interest bearing account which will (not) be segregated.

LOAN CALL OPTION:
Lender shall have the option to declare the entire outstanding principal balance of the Loan, together with all outstanding interest, due and payable in full on (fifth (5th) year anniversary following the Closing of the Loan (hereinafter referred to as **"Loan Call Date"**). Written notice of the exercise of such option (the "Call Notice") shall be provided to Borrower by Lender within the one hundred eighty (180) days prior to the Loan Call Date provided, however, if the Call Notice is sent within the ninety (90) days prior to such fifth (5th) year anniversary, the Loan Call Date shall be deemed to be the ninetieth (90th) day subsequent to the date of the Call Notice. All outstanding principal and accrued interest shall be due and payable in full on the Loan Call Date.

FEES:
There shall be a loan fee in the amount of Fifteen Thousand ($15,000) Dollars paid by Borrower to Lender (the "Commitment Fee"). The fee shall be a non-refundable Commitment Fee due upon acceptance of this commitment.

SECURITY:
The Loan shall be evidenced by a Note and shall be secured by the following:

1. A first mortgage on 200 Frank Road, Hicksville, New York 11801 and on the Improvements erected thereon.

The following additional conditions shall apply with respect to the collateral security hereinabove named:

APPRAISAL: Receipt by Lender of a satisfactory appraisal of the Property that is ordered by Lender and performed by an appraiser designated by Lender, the cost of which is to be borne by Borrower, stating the value to be no less than $2,050,000.

INSURANCE: Receipt by Lender of a prepaid fire and extended coverage insurance policy insuring the buildings, improvements, and constituting the Property in an amount satisfactory to Lender naming Lender as First Mortgagee/Lender Loss Payee requiring a 30 day notice to Lender of cancellation or amendment. Receipt by Lender of certificates of insurance in favor of Lender evidencing that comprehensive general public liability insurance protecting Borrower are in full force and effect. All insurance shall be satisfactory to Lender to amount, form, issuer and notice. Lender shall have the right to require additional types and amounts of coverage.

FLOOD CERTIFICATION & INSURANCE: Receipt by Lender of an independent flood certification of the Property which indicates that the Property is not situate in a special flood hazard area as defined by the Federal Emergency Management Agency, or if such is not the case and the Property is in such a flood hazard area, Borrower shall provide Lender with evidence of flood insurance in the maximum amount available or the appraised value of the Improvements, whichever is less.

TITLE WORK: Receipt by Lender at Closing of a Title Insurance Policy issued by a title company acceptable to Lender and in form and substance acceptable, to Lender's Counsel insuring, at the Borrower's cost, the mortgage executed and delivered in accordance with this Commitment as a first mortgage on the Property. If any portion of the loan proceeds will be funded for construction of Improvements on the Property, the title company must provide a pending disbursement clause acceptable to Lender.

SURVEY: Receipt by Lender of a recent or updated by inspection survey of the Property prepared by a licensed surveyor approved by Lender and certified to Lender in a manner acceptable to Lender.

2. Assignment to Lender of all of Borrower's rights in and to all present and future rents and leases affecting the Property.

3. All loans due to Lender by Borrower and Guarantors shall be cross-defaulted.

4. A valid and binding first security interest in all assets of the Corporate Guarantors Nanoia Recycling Equipment, Inc. and Frath Machinery Corporation.

ENVIRONMENTAL CONTINGENCY:
Lender shall have completed prior to Closing a review of the environmental status of the Property and shall have received such expert assessments, reports and analyses thereof as Lender shall reasonably request and such review and reports and analyses must be satisfactory in form and content to the Lender. Such environmental assessments may include, but not be limited to a Phase I study, a questionnaire, site inspection, review of past, present and proposed uses of the Property and the adjacent properties, examination of soils and subsurface water, review of records and other information available from Federal, state and local environmental agencies, review of aerial photography and such additional testing and sampling as Lender shall determine to be necessary, in its sole discretion. Any environmental consultant or engineer used for such analyses shall be satisfactory to Lender and

Borrower shall be responsible for all expenses incurred in performing the required analyses, regardless of whether the Loan is closed.

CONDITIONS TO CLOSING:

1. Lender shall be in receipt of the Operating Agreement and Secretary of State-stamped Articles of Organization of Borrower, if it is a limited liability company, as well as evidence satisfactory to Lender that such limited liability company is in good standing under the laws of the state of its formation.

2. Borrower shall provide to Lender certified copies of the Certificate of Incorporation and by-laws of Borrower, if applicable, Nanoia Recycling Equipment Inc. and Frath Machinery Corp. as well as evidence satisfactory to Lender and its counsel that each such corporation is in good standing in the state of incorporation.

3. The Property shall, at the time of closing of the Loan contemplated herein, and at all times during the term of the Loan in compliance with all federal, state and local environmental laws and the Americans with Disabilities Act of 1990. Borrower shall be responsible for all expenses incurred in satisfying the requirements outlined hereinabove, regardless of whether the Loan is Closed.

4. At Closing, the Borrower shall deliver to the Bank a life insurance policy naming the Bank as Beneficiary insuring the life of Frederick Von Bargen in a minimum amount of One Million ($1,000,000), or a duly executed assignment of an existing life insurance policy in favor of the Bank and acknowledged by the issuing Life Insurance company.

5. The Conditions attached are made a part of this Commitment with the same force and effects as if they were set forth herein. Lender's obligation to perform its covenants at the Closing is contingent upon the satisfaction of each of said conditions.

6. The validity of this Commitment is subject to the accuracy of all information, representations, exhibits and other materials submitted with or in support of Borrower's application. Any material change incident thereto prior to the full disbursement of the Loan proceeds shall at the option of Lender void all obligations of Lender under the provisions hereof.

7. No change in the terms or provisions of this Commitment shall be valid and binding unless confirmed in writing and executed in the name of and by an officer of Lender.

8. Failure by Borrower to comply with any of the requirements or conditions set forth in this Commitment within the time period required shall constitute an event of default by Borrower and unless waived in writing by Lender the default shall terminate this Commitment and all of Lender's obligations hereunder.

9. This Commitment and the obligations and undertakings herein contained shall be incorporated in the Loan Documents.

10. The Borrower and Guarantors shall open and maintain satisfactory and meaningful personal and business deposit accounts including accounts relating to the operation of the Property.

11. An opinion of counsel, independent to Borrower and acceptable to Lender, stating that (i) the Borrower (and Guarantor) is validly organized, is in good standing and authorized to do business in all states in which it is located or conducts business, (ii) the Borrower has full authority to carry out the terms of the Commitment and any other documentation required hereunder or in connection with the Loan, (iii) the Borrower and Guarantor has taken all necessary and appropriate action to authorize the execution and delivery of this Commitment and any other documents required to be executed in connection with the Loan, (iv) the Loan Documents are enforceable in accordance with their terms, against Borrower and Guarantor (v) that there are no

actions or proceedings pending before any court, administrative agency or governmental body at the time of closing which would affect the validity of the Loan. Counsel to Borrower must opine that the execution by Borrower and Guarantor will not violate any Loan Document or any agreements whatsoever to which Borrower, Guarantors, or any of their affiliates are a party. The opinion will further contain such additional matters reasonably required by Lender's Counsel.

12. The Lender, at its option, may announce and publicize the source of the financing contemplated hereunder, by means and media selected by Lender. The Borrower at the option of Lender shall erect signs for display, indicating that Lender is providing the financing of the Property.

13. All commercial leases pursuant to which Borrower shall lease to third parties, portions of the Property shall be subject to prior written approval by Lender (i) as to form and content and (ii) as to the identity and financial condition of the lessees. Borrower shall provide to Lender prior to Closing, complete copies of the contract of sale, tenant leases, and tenant estoppel certificates in form and substance satisfactory to Lender for all commercial tenants, as well as a current rent roll for all tenants of the Property.

14. Borrower shall maintain a loan to value ratio of seventy five (75%) percent. The value shall be defined as "Market Value" determined by the appraiser for the Property prior to the date of Closing.

15. Borrower shall maintain as of Closing and throughout the term of the Loan a minimum debt service coverage ratio of 1.25:1.0.

16. In the event that during the term of the Loan or any extension thereof, Lender shall deem it necessary to obtain a current appraisal of the Property, Lender shall engage the services of any appraiser acceptable to it and Borrower agrees to pay the fee charged by such appraiser in providing the current appraisal.

17. Borrower shall satisfy all conditions of the Commitment prior to Closing in a manner acceptable to Lender and Lender's counsel.

18. The Borrower shall deliver to Bank at or prior to Closing, a Subordination Agreement acceptable to the Bank and its counsel, subordinating all officer loans to the Guarantors or owners of Guarantors to the Bank debt.

19. During the term of the Loan or any extension thereof, the Borrower and Guarantors shall not permit any deterioration to their existing tangible net worth and will make no distributions in excess of earnings.

20. Prior to Closing, the Bank shall have received a satisfactory Bank reference of the Borrower and each Guarantor.

ENGAGEMENT OF LEGAL COUNSEL/CLOSING:
The **Lender's Counsel** shall be Balfe & Holland, PC who shall represent the Lender at the Closing. All fees and disbursements charged by Lender's Counsel in connection with this transaction shall be borne by Borrower. The consummation of this transaction (the **"Closing"**) shall occur on or before the expiration of this Commitment at the offices of Lender's Counsel located at One Huntington Quadrangle, Suite 3S09, Melville, New York 11747.

COMMITMENT EXPIRATION:
This Commitment will expire if not accepted by Borrower within ten (10) days from the date hereof. If the Commitment is accepted by Borrower, Closing of the Loan must occur within sixty (60) days from the date hereof; otherwise, Lender will be under no obligation to grant the Loan or any other extension of credit to Borrower. If the terms of this Commitment are acceptable to Borrower, an authorized representative of

Borrower and all Guarantors shall execute the enclosed copy of this letter in the space(s) provided below and return the executed copy along with the non-refundable Commitment Fee to Lender by the close of business on August 31, 2003.

Very truly yours,

Priscilla Dilello, Vice President

Accepted and agreed to be legally bound:

BORROWER:

By: _____ _____
Frederick Von Bargen Date

GUARANTOR(S)

_____ _____
Frederick Von Bargen, Individually Date

NANOIA RECYCLING EQUIPMENT, INC.

By: _____ _____
Name and Title Date

FRATH MACHINERY INC.

By: _____ _____
Name and Title Date

CONDITIONS

CONSISTING OF PAGES 7 and 8
ATTACHED TO AND MADE A PART OF A COMMITMENT
ISSUED BY COMMERCE BANK, N.A. TO
FREDERICK VON BARGEN

1. Compliance: The form and substance of all existing or proposed agreements, contracts, leases, plans, surveys, insurance policies and other documents which are necessary to satisfy any condition of this Commitment or in any manner effect this transaction including without limitation the Note, Mortgage, Guarantees, or any other document evidencing or securing the Loan or relevant to it's completion must be satisfactory to Lender and to Lender's Counsel. Lender shall have the right to require recording or filing of any such instruments that are eligible for recording or filing and the further right to require any changes in form necessary to permit such recording or filing.

2. Additional Requirements: Lender or its counsel may require such documentation, exhibits, certifications, or inspections as they shall deem appropriate to consummate the Loan and to protect Lender and its interest in all collateral pledged as security for this Loan.

3. Non-Assignability of Commitment: This Commitment may not be assigned by Borrower without the express written consent of Lender which consent may be withheld by Lender in it's sole discretion. Any assignment hereof without Lender's written consent or any change in Borrower's structure including but not limited to a change in the members, partners or principal stockholders or their respective interest without Lender's written consent shall release Lender from all of its obligations hereunder.

4. No Material Change: The funding of this Commitment and the continuance of this Loan are contingent upon there being no material adverse change, as determined by Lender, in the financial condition of Borrower or any Guarantor, or the collateral being offered as security for this Loan.

5. Financial Statements: The Borrower will furnish, annually to Lender, within one-hundred twenty (120) days after the close of each fiscal year, compiled financial statements, income and expense statements together with a balance sheet in addition to any other information requested by Lender. Said statements and balance sheet are to be reviewed by a Certified Public Accountant, satisfactory to Lender. Further, personal financial statements will be required annually for the Guarantor(s). All statements shall set forth in reasonable detail the results, operations and conditions of the Borrower, and all related business entities, certified as true and correct by Borrower and/or Guarantor(s) and shall be in form satisfactory to Lender. Lender will additionally be provided with signed income tax returns each year from Borrower and Guarantor(s) within 30 days of filing.

6. Closing Expenses: All costs connected with the Closing of the transaction, including but not limited to legal fees of Lender's Counsel, appraisal fees, environmental assessment and review fees, engineering and inspection fees, construction consultant fees, title insurance and search charges of any nature, survey, taxes and recording costs, shall be paid by Borrower at or prior to Closing or Borrower shall cause them to be paid at time of Closing. Borrower shall pay any premiums or other charges or any brokerage fee or commissions or similar compensation due in connection with the transaction and Borrower authorizes Lender to deduct such charges from the loan proceeds and agrees to indemnify and hold Lender harmless from and against any and all claims for any fees, charges, commissions, taxes and compensation in connection with the transaction.

7. Inspection: Lender or and its agents shall have the right to inspect the Property at any reasonable time, and from time to time, prior to Closing and thereafter .

8. Federal Tax Identification Number: At or prior to Closing, Borrower shall provide Lender with Borrower's Federal employer's identification number.

CONDITIONS SUBSEQUENT TO CLOSING

9. Change in Status: There shall be no change in the legal or beneficial ownership of the Property or in the general partners of the Borrower, if Borrower is a partnership; or in the members of the Borrower, if Borrower is a limited liability company or in the shares of stock of Borrower, if Borrower is a corporation, during the term of the Loan in excess of ten (10%) percent without the prior written consent of Lender.

10. Other Financing: From and after Closing, Borrower will not create or permit to exist any lien or security interest in any portion of Borrower's assets except in favor of Lender. Further, Borrower will not incur any additional indebtedness in excess of Fifty Thousand ($50,000) Dollars without receiving Lender's prior written consent.

11. Relationship of Parties: The relationship between Lender and Borrower will at all times be that of creditor and debtor. Under no circumstances shall the relationship be construed as creating a partnership or joint venture.

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ACEC MEMBER
SUPPORTING EXCELLENCE
IN ENGINEERING

Holzmacher, McLendon & Murrell, P.C. ▲ H2M Associates, Inc.
H2M Labs, Inc. ▲ H2M Construction Management, Inc.
575 Broad Hollow Road, Melville, New York 11747
(631) 756-8000, Fax: (631) 694-4122
e-mail: h2m@h2m.com
web: www.h2m.com

April 29, 2003

Mr. Jamie Ascher
NYSDEC, Region 1
SUNY, Bldg. 40
Stony Brook, NY 11790-2356

Re: Bowe Systec
Site No. 1-30-048
Order on Consent Index No. W1-0587-99-10
Groundwater Monitoring

Dear Mr. Ascher:

On behalf of Bowe Systec Inc. (Bowe), and pursuant to the terms and conditions of the above referenced Order on Consent, we submit herein the results of the quarterly groundwater monitoring event conducted on March 25, 2003. This sampling event represents the final round of groundwater monitoring prior to the DEC delisting the site.

In accordance with the NYSDEC-approved Groundwater Monitoring Plan, quarterly sampling was to be conducted from eight monitoring wells, including two on-site upgradient wells (MW-1 and MW-8), five on-site downgradient wells (MW-3, MW-4, MW-5, MW-6 and MW-7) and one off-site downgradient well (OW-1). As was the case throughout the monitoring program, upgradient well MW-1 was dry. During this most recent monitoring event, MW-7 was also found to be dry. Well MW-4 has been paved over and no longer exists.

Prior to sampling, static water level and well depth measurements to the nearest hundredth (0.01) of a foot were obtained from each well to determine the volume of standing water. To ensure that a representative groundwater sample was collected from each monitoring well, a minimum of three well volumes were purged prior to sampling. Purging was accomplished using a submersible pump. The submersible pump was decontaminated with a non-phosphate cleanser and distilled water between each well. Temperature, pH, and conductivity were measured and recorded after each well was purged.

After the wells were purged, a dedicated, disposable, polyethylene bailer affixed to dedicated polypropylene rope was lowered into the water column to collect a groundwater sample from each well. An equipment blank (field blank) was collected during the sampling to ensure that the sampling equipment was properly decontaminated and that cross contamination between wells

H2M GROUP

Mr. Jamie Ascher
April 29, 2003
Page 2

had not occurred. A trip blank accompanied the sampling glassware to the field and back to the laboratory to ensure that sample contamination did not occur during transport.

All groundwater samples and QA/QC samples were analyzed by H2M Labs, Inc. for halogenated volatile organic compounds (VOCs) by EPA Method 601. The primary contaminant of concern at the Bowe site is tetrachloroethene (PCE). A summary of the PCE concentrations in groundwater is provided in Table 1 below. Lab reports are attached.

TABLE 1
TETRACHLOROTHENE (PCE) IN GROUNDWATER (1)

Monitoring Well	6/00	10/00	12/00	3/01	6/01	9/01	12/01	3/02	6/02	9/02	9/02 (2)	12/02	3/03
MW-3	7	<1	31	<1	1.2	<1	<1	<1	<1	<1	<10	1.8	1.4
MW-5	5	6	17	1.2	7.2	5.0	3.4	<1	<1	Dry	Dry	Dry	1.1
MW-6	16	19	36	27	5.4	9.1	<1	24	1.9	4.5	7.0J	<1	<1
MW-7	5	13	17	1.4	5.8	9.1	3.2	<1	<1	Dry	Dry	Dry	Dry
MW-8	7	<1	<1	<1	1.4	3.8	1.3	<1	<1	<1	1.0J	<1	<1
OW-1	7	10	36	<1	8.3	4.4	<1	4.0	3.2	1.0	3.0J	2.0	1.9
Eqpt. Blank	<1	<1	<1	<1	<1	<1	<1	<1	<1	<1	-	<1	<1
Trip Blank	<1	<1	<1	<1	<1	<1	<1	<1	<1	<1	-	<1	<1

Notes: (1) All results reported in micrograms per liter (ug/l)
(2) NYSDEC Split Samples

As indicated in Table 1, PCE was detected in two of three on-site downgradient wells (MW-3 and MW-5) and in the off-site downgradient well (OW-1). In each case, the PCE concentration was below the 5 ug/l Class GA Water Quality Standard. PCE was non-detectable in upgradient well MW-8, on-site downgradient well MW-6 and in both the trip blank and equipment blank. All other halogenated VOCs were non-detectable (less than 1 ug/l).

PCE concentrations have been below the 5 ug/l Class GA Water Quality Standard in all of the monitoring wells for over a year now. Overall, the data continues to indicate that the interim remedial measures taken at the site were successful in removing any continuing source of contamination and that residual traces of PCE in groundwater continue to naturally attenuate.

Static water level measurements were obtained prior to purging each of the monitoring wells. Water level measurements were taken from a surveyed mark on the well casings to the nearest hundredth of a foot. This data was used to prepare a groundwater elevation contour map, which shows the inferred groundwater flow direction and its gradient. Figure 1 depicts the groundwater elevation contours for the March 25, 2003 sampling event. Based on the groundwater contours, local groundwater flow direction was toward the southeast.

The Record of Decision (ROD) required that quarterly groundwater monitoring be conducted for a minimum of three years or until the groundwater standards are achieved. Bowe has completed

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three full years of quarterly monitoring (12 rounds of sampling) and PCE concentrations in all on-site and off-site monitoring wells have been below the groundwater standard of 5 ug/l for over one year now. Bowe has thus completed its obligations under the ROD. Accordingly, we request that Bowe Systec, Inc. be released from the Order on Consent and that the Bowe site be removed from the New York State Registry of Inactive Hazardous Waste Sites. We also request your approval to abandon all of the groundwater monitoring wells (both on-site and off-site wells) in accordance with standard DEC specifications.

If you should have any questions or comments, please contact the undersigned at (631) 756-8000, Extension 1620.

Very truly yours,

HOLZMACHER, McLENDON & MURRELL, P.C.

Gary Miller, P.E.
Vice President

cc: John Lombard/Bowe
Tom Schad/Bowe
Charlotte Biblow, Esq.
Rosalie Rusinko, Esq./NYSDEC
Gary Litwin/NYSDOH

:\6000\1999\bowe9901\GWMR#12

H2M LABS, INC.

575 Broad Hollow Road, Melville NY 11747
(631) 694-3040 FAX: (631) 420-8436 NYSDOH ID# 10478

LABORATORY RESULTS

Bowe Bystec

Lab No. : 0303695-001A

Sample Information...
Type : Groundwater

Origin:

Attn To ;

Client ID. : OW-1

Collected 3/25/2003 1:30:00 PM
Received 3/25/2003 1:35:00 PM
Collected By : MAP03
Copy ; MAP
CC

Parameter(s)	Results	Units	Method Number	Analyzed
Dichlorodifluoromethane	< 1.0	µg/L	E601	4/2/2003 7:59:30 PM
Chloromethane	< 1.0	µg/L	E601	4/2/2003 7:59:30 PM
Vinyl chloride	< 1.0	µg/L	E601	4/2/2003 7:59:30 PM
Bromomethane	< 1.0	µg/L	E601	4/2/2003 7:59:30 PM
Chloroethane	< 1.0	µg/L	E601	4/2/2003 7:59:30 PM
Trichlorofluoromethane	< 1.0	µg/L	E601	4/2/2003 7:59:30 PM
1,1-Dichloroethene	< 1.0	µg/L	E601	4/2/2003 7:59:30 PM
Methylene chloride	< 1.0	µg/L	E601	4/2/2003 7:59:30 PM
trans-1,2-Dichloroethene	< 1.0	µg/L	E601	4/2/2003 7:59:30 PM
1,1-Dichloroethane	< 1.0	µg/L	E601	4/2/2003 7:59:30 PM
Chloroform	< 1.0	µg/L	E601	4/2/2003 7:59:30 PM
1,1,1-Trichloroethane	< 1.0	µg/L	E601	4/2/2003 7:59:30 PM
Carbon tetrachloride	< 1.0	µg/L	E601	4/2/2003 7:59:30 PM
1,2-Dichloroethane	< 1.0	µg/L	E601	4/2/2003 7:59:30 PM
Trichloroethene	< 1.0	µg/L	E601	4/2/2003 7:59:30 PM
1,2-Dichloropropane	< 1.0	µg/L	E601	4/2/2003 7:59:30 PM
Bromodichloromethane	< 1.0	µg/L	E601	4/2/2003 7:59:30 PM
trans-1,3-Dichloropropene	< 1.0	µg/L	E601	4/2/2003 7:59:30 PM
cis-1,3-Dichloropropene	< 1.0	µg/L	E601	4/2/2003 7:59:30 PM
1,1,2-Trichloroethane	< 1.0	µg/L	E601	4/2/2003 7:59:30 PM
Tetrachloroethene	1.9	µg/L	E601	4/2/2003 7:59:30 PM
Dibromochloromethane	< 1.0	µg/L	E601	4/2/2003 7:59:30 PM
Bromoform	< 1.0	µg/L	E601	4/2/2003 7:59:30 PM
1,1,2,2-Tetrachloroethane	< 1.0	µg/L	E601	4/2/2003 7:59:30 PM
2-Chloroethylvinyl ether	< 1.0	µg/L	E601	4/2/2003 7:59:30 PM
Chlorobenzene	< 1.0	µg/L	E601	4/2/2003 7:59:30 PM
1,2-Dichlorobenzene	< 1.0	µg/L	E601	4/2/2003 7:59:30 PM
1,3-Dichlorobenzene	< 1.0	µg/L	E601	4/2/2003 7:59:30 PM
1,4-Dichlorobenzene	< 1.0	µg/L	E601	4/2/2003 7:59:30 PM

Qualifiers: E - Value above quantitation range
D - Results for Dilution

Date Reported : 4/4/2003

QA Manager

H2M LABS, INC.

575 Broad Hollow Road, Melville NY 11747
(631) 694-3040 FAX: (631) 420-8436 NYSDOH ID# 10478

LABORATORY RESULTS

Bowe Systec

Lab No. : 0303695-002A

Sample Information...
Type : Groundwater

Attn To :

Origin:

Client ID. : MW-3

Collected 3/25/2003 11:00:00 AM
Received 3/25/2003 1:35:00 PM
Collected By : MAP03
Copy : MAP

CC

Parameter(s)	Results	Units	Method Number	Analyzed
Dichlorodifluoromethane	< 1.0	µg/L	E601	4/2/2003 8:56:59 PM
Chloromethane	< 1.0	µg/L	E601	4/2/2003 8:56:59 PM
Vinyl chloride	< 1.0	µg/L	E601	4/2/2003 8:56:59 PM
Bromomethane	< 1.0	µg/L	E601	4/2/2003 8:56:59 PM
Chloroethane	< 1.0	µg/L	E601	4/2/2003 8:56:59 PM
Trichlorofluoromethane	< 1.0	µg/L	E601	4/2/2003 8:56:59 PM
1,1-Dichloroethene	< 1.0	µg/L	E601	4/2/2003 8:56:59 PM
Methylene chloride	< 1.0	µg/L	E601	4/2/2003 8:56:59 PM
trans-1,2-Dichloroethene	< 1.0	µg/L	E601	4/2/2003 8:56:59 PM
1,1-Dichloroethane	< 1.0	µg/L	E601	4/2/2003 8:56:59 PM
Chloroform	< 1.0	µg/L	E601	4/2/2003 8:56:59 PM
1,1,1-Trichloroethane	< 1.0	µg/L	E601	4/2/2003 8:56:59 PM
Carbon tetrachloride	< 1.0	µg/L	E601	4/2/2003 8:56:59 PM
1,2-Dichloroethane	< 1.0	µg/L	E601	4/2/2003 8:56:59 PM
Trichloroethene	< 1.0	µg/L	E601	4/2/2003 8:56:59 PM
1,2-Dichloropropane	< 1.0	µg/L	E601	4/2/2003 8:56:59 PM
Bromodichloromethene	< 1.0	µg/L	E601	4/2/2003 8:56:59 PM
trans-1,3-Dichloropropene	< 1.0	µg/L	E601	4/2/2003 8:56:59 PM
cis-1,3-Dichloropropene	< 1.0	µg/L	E601	4/2/2003 8:56:59 PM
1,1,2-Trichloroethane	< 1.0	µg/L	E601	4/2/2003 8:56:59 PM
Tetrachloroethene	1.4	µg/L	E601	4/2/2003 8:56:59 PM
Dibromochloromethane	< 1.0	µg/L	E601	4/2/2003 8:56:59 PM
Bromoform	< 1.0	µg/L	E601	4/2/2003 8:56:59 PM
1,1,2,2-Tetrachloroethane	< 1.0	µg/L	E601	4/2/2003 8:56:59 PM
2-Chloroethylvinyl ether	< 1.0	µg/L	E601	4/2/2003 8:56:59 PM
Chlorobenzene	< 1.0	µg/L	E601	4/2/2003 8:56:59 PM
1,2-Dichlorobenzene	< 1.0	µg/L	E601	4/2/2003 8:56:59 PM
1,3-Dichlorobenzene	< 1.0	µg/L	E601	4/2/2003 8:56:59 PM
1,4-Dichlorobenzene	< 1.0	µg/L	E601	4/2/2003 8:56:59 PM

Qualifiers: E - Value above quantitation range
D - Results for Dilution

Date Reported : 4/4/2003

QA Manager

H2M LABS, INC.

575 Broad Hollow Road, Melville NY 11747
(631) 694-3040 FAX (631) 420-8436 NYSDOH ID # 10478

LABORATORY RESULTS

Bowe Systec

Lab No. : 0303695-003A

Sample Information...
Type : Groundwater

Attn To :

Origin:

Client ID. : MW-5

Collected 3/25/2003 12:05:00 PM
Received 3/25/2003 1:35:00 PM
Collected By : MAP03
Copy : MAP
cc

Parameter(s)	Results	Units	Method Number	Analyzed
Dichlorodifluoromethane	< 1.0	µg/L	E601	4/2/2003 9:54:27 PM
Chloromethane	< 1.0	µg/L	E601	4/2/2003 9:54:27 PM
Vinyl chloride	< 1.0	µg/L	E601	4/2/2003 9:54:27 PM
Bromomethane	< 1.0	µg/L	E601	4/2/2003 9:54:27 PM
Chloroethane	< 1.0	µg/L	E601	4/2/2003 9:54:27 PM
Trichlorofluoromethane	< 1.0	µg/L	E601	4/2/2003 9:54:27 PM
1,1-Dichloroethene	< 1.0	µg/L	E601	4/2/2003 9:54:27 PM
Methylene chloride	< 1.0	µg/L	E601	4/2/2003 9:54:27 PM
trans-1,2-Dichloroethene	< 1.0	µg/L	E601	4/2/2003 9:54:27 PM
1,1-Dichloroethane	< 1.0	µg/L	E601	4/2/2003 9:54:27 PM
Chloroform	< 1.0	µg/L	E601	4/2/2003 9:54:27 PM
1,1,1-Trichloroethane	< 1.0	µg/L	E601	4/2/2003 9:54:27 PM
Carbon tetrachloride	< 1.0	µg/L	E601	4/2/2003 9:54:27 PM
1,2-Dichloroethane	< 1.0	µg/L	E601	4/2/2003 9:54:27 PM
Trichloroethene	< 1.0	µg/L	E601	4/2/2003 9:54:27 PM
1,2-Dichloropropane	< 1.0	µg/L	E601	4/2/2003 9:54:27 PM
Bromodichloromethane	< 1.0	µg/L	E601	4/2/2003 9:54:27 PM
trans-1,3-Dichloropropene	< 1.0	µg/L	E601	4/2/2003 9:54:27 PM
cis-1,3-Dichloropropene	< 1.0	µg/L	E601	4/2/2003 9:54:27 PM
1,1,2-Trichloroethane	< 1.0	µg/L	E601	4/2/2003 9:54:27 PM
Tetrachloroethene	1.1	µg/L	E601	4/2/2003 9:54:27 PM
Dibromochloromethane	< 1.0	µg/L	E601	4/2/2003 9:54:27 PM
Bromoform	< 1.0	µg/L	E601	4/2/2003 9:54:27 PM
1,1,2,2-Tetrachloroethane	< 1.0	µg/L	E601	4/2/2003 9:54:27 PM
2-Chloroethylvinyl ether	< 1.0	µg/L	E601	4/2/2003 9:54:27 PM
Chlorobenzene	< 1.0	µg/L	E601	4/2/2003 9:54:27 PM
1,2-Dichlorobenzene	< 1.0	µg/L	E601	4/2/2003 9:54:27 PM
1,3-Dichlorobenzene	< 1.0	µg/L	E601	4/2/2003 9:54:27 PM
1,4-Dichlorobenzene	< 1.0	µg/L	E601	4/2/2003 9:54:27 PM

Qualifiers: E - Value above quantitation range
D - Results for Dilution

Date Reported : 4/4/2003

QA Manager

H2M LABS, INC.
575 Broad Hollow Road, Melville NY 11747
(631) 694-3040, FAX: (631) 420-8436 NYSDOH ID# 10478

LABORATORY RESULTS

Bowe Systec

Lab No. : **0303695-004A**

Sample Information...
Type : Groundwater

Attn To :

Origin:

Client ID. : MW-8

Collected 3/25/2003 11:30:00 AM
Received 3/26/2003 1:35:00 PM
Collected By : MAP03
Copy : MAP
CC

Parameter(s)	Results	Units	Method Number	Analyzed
Dichlorodifluoromethane	< 1.0	µg/L	E601	4/2/2003 10:51:19 PM
Chloromethane	< 1.0	µg/L	E601	4/2/2003 10:51:19 PM
Vinyl chloride	< 1.0	µg/L	E601	4/2/2003 10:51:19 PM
Bromomethane	< 1.0	µg/L	E601	4/2/2003 10:51:19 PM
Chloroethane	< 1.0	µg/L	E601	4/2/2003 10:51:19 PM
Trichlorofluoromethane	< 1.0	µg/L	E601	4/2/2003 10:51:19 PM
1,1-Dichloroethene	< 1.0	µg/L	E601	4/2/2003 10:51:19 PM
Methylene chloride	< 1.0	µg/L	E601	4/2/2003 10:51:19 PM
trans-1,2-Dichloroethene	< 1.0	µg/L	E601	4/2/2003 10:51:19 PM
1,1-Dichloroethane	< 1.0	µg/L	E601	4/2/2003 10:51:19 PM
Chloroform	< 1.0	µg/L	E601	4/2/2003 10:51:19 PM
1,1,1-Trichloroethane	< 1.0	µg/L	E601	4/2/2003 10:51:19 PM
Carbon tetrachloride	< 1.0	µg/L	E601	4/2/2003 10:51:19 PM
1,2-Dichloroethane	< 1.0	µg/L	E601	4/2/2003 10:51:19 PM
Trichloroethene	< 1.0	µg/L	E601	4/2/2003 10:51:19 PM
1,2-Dichloropropane	< 1.0	µg/L	E601	4/2/2003 10:51:19 PM
Bromodichloromethane	< 1.0	µg/L	E601	4/2/2003 10:51:19 PM
trans-1,3-Dichloropropene	< 1.0	µg/L	E601	4/2/2003 10:51:19 PM
cis-1,3-Dichloropropene	< 1.0	µg/L	E601	4/2/2003 10:51:19 PM
1,1,2-Trichloroethane	< 1.0	µg/L	E601	4/2/2003 10:51:19 PM
Tetrachloroethene	< 1.0	µg/L	E601	4/2/2003 10:51:19 PM
Dibromochloromethane	< 1.0	µg/L	E601	4/2/2003 10:51:19 PM
Bromoform	< 1.0	µg/L	E601	4/2/2003 10:51:19 PM
1,1,2,2-Tetrachloroethane	< 1.0	µg/L	E601	4/2/2003 10:51:19 PM
2-Chloroethylvinyl ether	< 1.0	µg/L	E601	4/2/2003 10:51:19 PM
Chlorobenzene	< 1.0	µg/L	E601	4/2/2003 10:51:19 PM
1,2-Dichlorobenzene	< 1.0	µg/L	E601	4/2/2003 10:51:19 PM
1,3-Dichlorobenzene	< 1.0	µg/L	E601	4/2/2003 10:51:19 PM
1,4-Dichlorobenzene	< 1.0	µg/L	E601	4/2/2003 10:51:19 PM

Qualifiers: E - Value above quantitation range
D - Results for Dilution

Date Reported : 4/4/2003

QA Manager

H2M LABS, INC.
575 Broad Hollow Road, Melville NY 11747
(631) 694-3040. FAX: (631) 420-8436 NYSDOH ID# 10478

LABORATORY RESULTS

Bowe Systec

Lab No. : **0303695-006A**

Sample Information...
Type : Groundwater

Origin:

,
Attn To :

Client ID. : MW-8

Collected 3/25/2003 12:45:00 PM
Received 3/25/2003 1:35:00 PM
Collected By : MAP03
Copy : MAP
CC

Parameter(s)	Results	Units	Method Number	Analyzed
Dichlorodifluoromethane	< 1.0	µg/L	E601	4/2/2003 11:48:15 PM
Chloromethane	< 1.0	µg/L	E601	4/2/2003 11:48:15 PM
Vinyl chloride	< 1.0	µg/L	E601	4/2/2003 11:48:15 PM
Bromomethane	< 1.0	µg/L	E601	4/2/2003 11:48:15 PM
Chloroethane	< 1.0	µg/L	E601	4/2/2003 11:48:15 PM
Trichlorofluoromethane	< 1.0	µg/L	E601	4/2/2003 11:48:15 PM
1,1-Dichloroethene	< 1.0	µg/L	E601	4/2/2003 11:48:15 PM
Methylene chloride	< 1.0	µg/L	E601	4/2/2003 11:48:15 PM
trans-1,2-Dichloroethene	< 1.0	µg/L	E601	4/2/2003 11:48:15 PM
1,1-Dichloroethane	< 1.0	µg/L	E601	4/2/2003 11:48:15 PM
Chloroform	< 1.0	µg/L	E601	4/2/2003 11:48:15 PM
1,1,1-Trichloroethane	< 1.0	µg/L	E601	4/2/2003 11:48:15 PM
Carbon tetrachloride	< 1.0	µg/L	E601	4/2/2003 11:48:15 PM
1,2-Dichloroethane	< 1.0	µg/L	E601	4/2/2003 11:48:15 PM
Trichloroethene	< 1.0	µg/L	E601	4/2/2003 11:48:15 PM
1,2-Dichloropropane	< 1.0	µg/L	E601	4/2/2003 11:48:15 PM
Bromodichloromethane	< 1.0	µg/L	E601	4/2/2003 11:48:15 PM
trans-1,3-Dichloropropene	< 1.0	µg/L	E601	4/2/2003 11:48:15 PM
cis-1,3-Dichloropropene	< 1.0	µg/L	E601	4/2/2003 11:48:15 PM
1,1,2-Trichloroethane	< 1.0	µg/L	E601	4/2/2003 11:48:15 PM
Tetrachloroethene	< 1.0	µg/L	E601	4/2/2003 11:48:15 PM
Dibromochloromethane	< 1.0	µg/L	E601	4/2/2003 11:48:15 PM
Bromoform	< 1.0	µg/L	E601	4/2/2003 11:48:15 PM
1,1,2,2-Tetrachloroethane	< 1.0	µg/L	E601	4/2/2003 11:48:15 PM
2-Chloroethylvinyl ether	< 1.0	µg/L	E601	4/2/2003 11:48:15 PM
Chlorobenzene	< 1.0	µg/L	E601	4/2/2003 11:48:15 PM
1,2-Dichlorobenzene	< 1.0	µg/L	E601	4/2/2003 11:48:15 PM
1,3-Dichlorobenzene	< 1.0	µg/L	E601	4/2/2003 11:48:15 PM
1,4-Dichlorobenzene	< 1.0	µg/L	E601	4/2/2003 11:48:15 PM

Qualifiers: E - Value above quantitation range
D - Results for Dilution

Date Reported : 4/4/2003

QA Manager

H2M LABS, INC.

575 Broad Hollow Road, Melville NY 11747
(631) 694-3040. FAX: (631) 420-8436 NYSDOH ID# 10478

LABORATORY RESULTS

Lab No. : 0303695-006A

Sample Information...
Type : Blank

Origin:

Bowe Systec

Attn To :

Client ID. : EB

Collected 3/25/2003 12:00:00 PM
Received 3/25/2003 1:35:00 PM
Collected By : MAP03
Copy : MAP
CC

Parameter(s)	Results	Units	Method Number	Analyzed
Dichlorodifluoromethane	< 1.0	µg/L	E601	4/3/2003 12:45:12 AM
Chloromethane	< 1.0	µg/L	E601	4/3/2003 12:45:12 AM
Vinyl chloride	< 1.0	µg/L	E601	4/3/2003 12:45:12 AM
Bromomethane	< 1.0	µg/L	E601	4/3/2003 12:45:12 AM
Chloroethane	< 1.0	µg/L	E601	4/3/2003 12:45:12 AM
Trichlorofluoromethane	< 1.0	µg/L	E601	4/3/2003 12:45:12 AM
1,1-Dichloroethene	< 1.0	µg/L	E601	4/3/2003 12:45:12 AM
Methylene chloride	< 1.0	µg/L	E601	4/3/2003 12:45:12 AM
trans-1,2-Dichloroethene	< 1.0	µg/L	E601	4/3/2003 12:45:12 AM
1,1-Dichloroethane	< 1.0	µg/L	E601	4/3/2003 12:45:12 AM
Chloroform	< 1.0	µg/L	E601	4/3/2003 12:45:12 AM
1,1,1-Trichloroethane	< 1.0	µg/L	E601	4/3/2003 12:45:12 AM
Carbon tetrachloride	< 1.0	µg/L	E601	4/3/2003 12:45:12 AM
1,2-Dichloroethane	< 1.0	µg/L	E601	4/3/2003 12:45:12 AM
Trichloroethene	< 1.0	µg/L	E601	4/3/2003 12:45:12 AM
1,2-Dichloropropane	< 1.0	µg/L	E601	4/3/2003 12:45:12 AM
Bromodichloromethane	< 1.0	µg/L	E601	4/3/2003 12:45:12 AM
trans-1,3-Dichloropropene	< 1.0	µg/L	E601	4/3/2003 12:45:12 AM
cis-1,3-Dichloropropene	< 1.0	µg/L	E601	4/3/2003 12:45:12 AM
1,1,2-Trichloroethane	< 1.0	µg/L	E601	4/3/2003 12:45:12 AM
Tetrachloroethene	< 1.0	µg/L	E601	4/3/2003 12:45:12 AM
Dibromochloromethane	< 1.0	µg/L	E601	4/3/2003 12:45:12 AM
Bromoform	< 1.0	µg/L	E601	4/3/2003 12:45:12 AM
1,1,2,2-Tetrachloroethane	< 1.0	µg/L	E601	4/3/2003 12:45:12 AM
2-Chloroethylvinyl ether	< 1.0	µg/L	E601	4/3/2003 12:45:12 AM
Chlorobenzene	< 1.0	µg/L	E601	4/3/2003 12:45:12 AM
1,2-Dichlorobenzene	< 1.0	µg/L	E601	4/3/2003 12:45:12 AM
1,3-Dichlorobenzene	< 1.0	µg/L	E601	4/3/2003 12:45:12 AM
1,4-Dichlorobenzene	< 1.0	µg/L	E601	4/3/2003 12:45:12 AM

Qualifiers: E - Value above quantitation range
D - Results for Dilution

QA Manager

Date Reported : 4/4/2003

H2M LABS, INC.

575 Broad Hollow Road, Melville NY 11747
(631) 694-3040 FAX: (631) 420-8436 NYSDOH ID# 10478

LABORATORY RESULTS

Bowe Systec

Lab No. : 0303695-007A

Sample Information...
Type : Trip Blank

Origin:

Attn To :

Client ID. : TB

Collected 3/25/2003
Received 3/25/2003 1:35:00 PM
Collected By : MAP03
Copy : MAP
CC

Parameter(s)	Results	Units	Method Number	Analyzed
Dichlorodifluoromethane	< 1.0	µg/L	E601	4/3/2003 1:42:15 AM
Chloromethane	< 1.0	µg/L	E601	4/3/2003 1:42:15 AM
Vinyl chloride	< 1.0	µg/L	E601	4/3/2003 1:42:15 AM
Bromomethane	< 1.0	µg/L	E601	4/3/2003 1:42:15 AM
Chloroethane	< 1.0	µg/L	E601	4/3/2003 1:42:15 AM
Trichlorofluoromethane	< 1.0	µg/L	E601	4/3/2003 1:42:15 AM
1,1-Dichloroethene	< 1.0	µg/L	E601	4/3/2003 1:42:15 AM
Methylene chloride	< 1.0	µg/L	E601	4/3/2003 1:42:15 AM
trans-1,2-Dichloroethene	< 1.0	µg/L	E601	4/3/2003 1:42:15 AM
1,1-Dichloroethane	< 1.0	µg/L	E601	4/3/2003 1:42:15 AM
Chloroform	< 1.0	µg/L	E601	4/3/2003 1:42:15 AM
1,1,1-Trichloroethane	< 1.0	µg/L	E601	4/3/2003 1:42:15 AM
Carbon tetrachloride	< 1.0	µg/L	E601	4/3/2003 1:42:15 AM
1,2-Dichloroethane	< 1.0	µg/L	E601	4/3/2003 1:42:15 AM
Trichloroethene	< 1.0	µg/L	E601	4/3/2003 1:42:15 AM
1,2-Dichloropropane	< 1.0	µg/L	E601	4/3/2003 1:42:15 AM
Bromodichloromethane	< 1.0	µg/L	E601	4/3/2003 1:42:15 AM
trans-1,3-Dichloropropene	< 1.0	µg/L	E601	4/3/2003 1:42:15 AM
cis-1,3-Dichloropropene	< 1.0	µg/L	E601	4/3/2003 1:42:15 AM
1,1,2-Trichloroethane	< 1.0	µg/L	E601	4/3/2003 1:42:15 AM
Tetrachloroethene	< 1.0	µg/L	E601	4/3/2003 1:42:15 AM
Dibromochloromethane	< 1.0	µg/L	E601	4/3/2003 1:42:15 AM
Bromoform	< 1.0	µg/L	E601	4/3/2003 1:42:15 AM
1,1,2,2-Tetrachloroethane	< 1.0	µg/L	E601	4/3/2003 1:42:15 AM
2-Chloroethylvinyl ether	< 1.0	µg/L	E601	4/3/2003 1:42:15 AM
Chlorobenzene	< 1.0	µg/L	E601	4/3/2003 1:42:15 AM
1,2-Dichlorobenzene	< 1.0	µg/L	E601	4/3/2003 1:42:15 AM
1,3-Dichlorobenzene	< 1.0	µg/L	E601	4/3/2003 1:42:15 AM
1,4-Dichlorobenzene	< 1.0	µg/L	E601	4/3/2003 1:42:15 AM

Qualifiers: E - Value above quantitation range
D - Results for Dilution

Date Reported : 4/4/2003

QA Manager

Christopher Keen
Scientist

Nicholas Valkenburg
Project Director

Phase I Environmental Site Assessment

Bowe Systec, Inc.
200 Frank Road
Hicksville, New York

931-2701

Prepared for:
Jodee Plastics, Inc.
100 Frank Road
Hicksville, New York 11801

Prepared by:
ARCADIS Geraghty & Miller, Inc.
88 Duryea Road
Melville
New York 11747
Tel 516 249 7600
Fax 516 249 7610

Our Ref.:
NY001251.0001

Date:
25 August 1999

Table of Contents

1. Introduction, Objectives, Methodology, and Limitations

1.1 Introduction

On August 10, 1999, ARCADIS Geraghty & Miller, Inc. was retained by Jodee Plastics, Inc. to conduct a Phase I Environmental Site Assessment (ESA) of the Bowe Systec, Inc. (Bowe) property located at 200 Frank Road in Hicksville, New York (subject property). The purpose of the Phase I ESA was to identify evidence of recognized environmental conditions associated with the subject property, in conformance with the American Society of Testing and Materials (ASTM) guidelines for Phase I site assessments, Guidance Document E 1527-97 entitled Standard Practice For Environmental Site Assessments: Phase I Environmental Site Assessment Process. Recognized environmental conditions are defined under ASTM E1527-97 as the presence, or likely presence of any hazardous substances or petroleum products on a property under conditions that indicate an existing release, past release, or material threat of a release into the environment. This Phase I ESA is intended to demonstrate that due diligence has been exercised in determining potential environmental liabilities. The qualifications of the ARCADIS Geraghty & Miller staff assigned to this Phase I ESA are provided in Appendix A.

1.2 Objectives

The objective of this Phase I ESA was to identify evidence of recognized environmental conditions that may impair, impose a liability to, or restrict the use of the subject property, including conditions associated with past or current practices at or around the site.

1.3 Methodology

The Phase I ESA included the following general tasks:

- Site reconnaissance to investigate the subject property and surrounding properties.
- Interview with site representative(s) with regard to current and past site operations.
- Review of available historical information related to the former uses of the subject property and adjacent properties.
- Review of previous environmental investigation reports for the subject property.

- Review of available federal and state regulatory agency database information.

- Preparation of a written Phase I Environmental Site Assessment report, which includes ARCADIS Geraghty & Miller's conclusions and recommendations.

1.4 Limitations

The objective of ARCADIS Geraghty & Miller's Phase I Environmental Site Assessment was to identify evidence of recognized environmental conditions associated with the subject property. This Phase I Environmental Site Assessment was conducted in accordance with the ASTM Standard Practice for Performing Phase I Environmental Site Assessments (E 1527-97) and with the scope of work, terms, and conditions contained in ARCADIS Geraghty & Miller's written proposals dated August 5 and 11, 1999.

The results, findings, conclusions, and recommendations provided in this Phase I Environmental Site Assessment report are based upon limited information and observations acquired during the site reconnaissance of the subject property conducted on August 13, 1999; from interviews with the site representatives, Mr. Thomas Schad (Director of Finance & Administration) and Mr. Phil Knott (Assistant Controller); from historical documents such as aerial photographs and chain-of-title; and from federal and state environmental regulatory agency databases, the Nassau County Department of Health, and the Nassau County Fire Marshal. No sampling of any media was conducted as part of this Phase I ESA. Information was also obtained from the Remedial Investigation Feasibility Study (RI/FS) Report, Volume One, November 1998, prepared by the H2M Group (H2M) and the Record of Decision, March 1999, for the subject property by the New York State Department of Environmental Conservation (NYSDEC).

Information, conclusions, and recommendations contained in the H2M and NYSDEC reports are relied upon and referenced in various sections of this report. However, because of the extensive amount of information and laboratory data contained in those reports, it is recommended that those reports be read as a supplement to this Phase I ESA report.

This Phase I ESA report has been prepared for the exclusive use and reliance of Jodee Plastics, Inc. Any use of, or reliance on, this report by any other party without written authorization from Jodee Plastics, Inc. and ARCADIS Geraghty & Miller is strictly prohibited.

2. Site Overview

The subject property is located 200 Frank Road in Hicksville, Nassau County, New York (see Figures 1 and 2), and is identified on the Nassau County tax map as Section 11, Block H, Lots 435, 456, 457 and 458. The subject property consists of 2.1 acres of land which contains a single story 25,000 square foot building. Site features are shown on the site plan (Figure 2); photographs of the site taken during the site reconnaissance are provided in Appendix B. Paved parking areas are situated on the eastern and southern portions of the subject property.

Bowe has occupied the subject property since 1994. Bowe currently utilizes the eastern portion of the building for office space, a showroom, and a parts storage and assembly area. The storage area contains components that are utilized in the assembly of automated mail processing equipment. Jodee Plastics currently utilizes the western portion of the building for storage of plastic products such as landscape materials and plastic fencing inserts. The subject property was vacant from 1991 to 1994. Ownership of the subject property by Bowe commenced in 1980. During the late 1980's, American Permac, a subsidiary of Bowe, shared the building with Bowe and conducted importing, assembly and testing of dry cleaning equipment. Tetrachloroethene (PCE) was used for the testing of the dry cleaning equipment and was reportedly stored in an indoor 300-gallon aboveground storage tank (AST) located along the southern wall of the building. The PCE was sold to dry cleaners in the area in 1990 an the AST was removed. After 1990, the subject property was no longer utilized for testing dry cleaning equipment.

The subject property is located in a predominantly industrial area; however, residential housing is located adjacent to the subject property. Adjoining the southeastern side of the subject property are residential properties. An area of light industry exists to the southwest of the subject property. The subject property is abutted to the west by a recharge basin and a vacant facility, which was formerly occupied by Sulzer Metco (manufacturing). Adjoining the northern side of the subject property is Jodee Plastics, Inc., (manufacturing). Vacant land adjoins the eastern border of the subject property (see Figure 2).

3. Site Background/Operating History

This section of the report provides a review of the past ownership and uses of the subject property. Ownership of the subject property was researched by reviewing a 50-year chain of title search. Site usage was researched by reviewing historical aerial

photographs dated 1950, 1957, 1962, 1966, 1969, 1972, 1976, 1978, 1984, 1986, 1988, 1992, and 1996, and through interviews with site representatives knowledgeable about the history of the subject property. Fire Insurance Maps were requested through EDR Sanborn, Inc.; however, no maps covering the subject property were found.

3.1 Current Ownership and Property Uses

The subject property is comprised of four lot numbers. According to information in a 50-year chain of title, there are three owners of the various lots. The chain of title reported the property as three subject parcels: A, B, and C. Subject Parcel A is comprised of lot 435; Subject Parcel B is comprised of lots 456 and 457; and, Subject Parcel C is comprised of lot 458. Furthermore, each of the three parcels has different owners. Subject parcels A, B, and C are currently owned by Keemo Properties Co., Frank Road Property, Inc., and Bowe Property Holding Corp., respectively. However, of these three property owners, Bowe appears to be the only one that occupies the subject property. Bowe utilizes the eastern portion of the building for office space, a showroom, and a parts storage and assembly area. The storage area contains components that are utilized in the assembly of automated mail processing equipment. Jodee Plastics currently utilizes the western portion of the building for storage of plastic products such as landscape materials and plastic fencing inserts. No other tenants or operations are currently occurring on-site.

3.2 Chain of Title

According to information in a 50-year chain of title prepared by Wilsearch Information Network, Inc. the subject property changed hands between private individuals from 1950 until 1954 at which time subject parcel C was transferred to G&M Screw Products Co. In 1957, all three subject parcels were transferred to the Miltod Corp. In 1958, ownership of subject parcel A and B was transferred from the Miltod Corp. to G&M Products Co. In 1962, G&M Products Co. transferred ownership of subject parcels A and B to 100 Frank Road Realty Corp. In 1964, 100 Frank Road Realty Corp. transferred ownership of subject parcels A and B to 100 Frank Road Co. In 1966, ownership of subject parcel C was transferred from the Miltod Corp. to 200 Frank Road Realty Corp. In 1972, 100 Frank Road Co. transferred ownership of subject parcels A and B to Meenan Oil Co., Inc. Later in 1972, Meenan Oil Co., Inc. transferred ownership of subject parcels A and B to Town of Oyster Bay. In 1974, a break in chain occurs for subject parcels A and B, Allcraft Tool & Supply Co., Inc. transferred ownership to Dudley Shannon. On the same date in 1974, an additional a break in chain occurs when Meenan Oil Co., Inc. transferred ownership to Allcraft

Tool & Supply Co., Inc. Later in 1974, Allcraft Tool & Supply Co., Inc. transferred ownership to Dudley Shannon. On the same date in 1974, Dudley Shannon transferred ownership back to Allcraft Tool & Supply Co., Inc. Still later in 1974, Allcraft Tool & Supply Co., Inc. transferred ownership to Dudley Shannon. In 1978, 200 Frank Road Realty Corp. transferred ownership of subject parcel C to Fab Realty Corp. In 1979, Fab Realty Corp. transferred ownership of subject parcel C to American Permac, Inc. In 1980, American Permac, Inc. transferred ownership of subject parcel C to Bowe Property Holding Corp. Later in 1980, a correction deed rendered the transfer of ownership from MDE Realty Corp. to Bowe Property Holding Corp. This was the last recorded deed change for subject parcel C. The last recorded deed change for subject parcel A is dated February 25, 1988, at which time Dudley Shannon transferred ownership to Keemo Properties Co. The last recorded deed change for subject parcel B is dated January 6, 1989, at which time Dudley Shannon transferred ownership to Frank Road Property, Inc.

No environmental liens were found on record for the subject property. A copy of the 50-Year Chain of Title is provided in Appendix C.

3.3 Aerial Photographs

The 1950 aerial photograph shows the subject property as undeveloped. The 1957 aerial photograph shows the presence of the current building. Adjacent buildings in this photograph include a building to the north and residences to the southeast. The 1962 aerial photograph shows a similar arrangement, but in addition depicts the presence of a recharge basin to the southwest, a building to the west and a paved lot to the east. The 1966 aerial photograph shows the addition of a building to the southwest. The 1969 aerial photograph shows the addition of a paved area on the southern portion of the subject property and an additional structure along the west side of the building. The 1972, 1976, 1978, 1984, and 1986 aerial photographs all show the subject property and adjacent land uses similar to the 1969 aerial photograph. The 1988 aerial photograph shows the presence of additional structures in the southern portion of the parking lot which appear to be for storage. The 1992 aerial photograph shows a disturbance in the parking lot, which may be related to the excavation of soil from a drywell area. The 1996 aerial photograph shows the subject property and adjoining properties as they exist today.

3.4 Sanborn Fire Insurance Maps

There were no Sanborn Fire Insurance Maps for the subject property.

3.5 Previous Environmental Reports

This section of the report contains a brief overview of a previous environmental report for the subject property prepared by H2M, which was reviewed as part of this Phase I ESA. For complete information and data contained in the previous environmental report it is suggested that the report be read individually. The title, date and conclusions/recommendations of the report reviewed are summarized below. In addition, the Record of Decision for the subject property prepared by the NYSDEC was reviewed. A summary of this document is also provided below.

Remedial Investigation Feasibility Study Report, Volume One, November 1998

The purpose of RI/FS report was to evaluate the nature and extent of contaminants at the subject property. In 1989, 10 to 15 gallons of tetrachloroethene (PCE) was reported to have spilled inside the building and enter into a floor drain located along the southern wall which discharged to a drywell system (i.e., DW-1, DW-2 and DW-3) located beneath a paved area behind the building. During the remedial investigation, other areas of concern were identified, including a former spray booth area, an additional drywell (DW-8) and the building's subsurface sanitary wastewater disposal system (Figure 2). An Interim Remedial Measure (IRM) conducted in March, 1991, consisted of the excavation and disposal of approximately 450 tons of PCE contaminated soils beneath and surrounding DW-1, DW-2 and DW-3. Furthermore, the connection between the floor drain inside the building and DW-1 was disconnected and sealed. In September, 1992, the bottom five feet of soil/sediment was excavated from DW-8; approximately 27 cubic yards of soil was excavated from the former spray booth area; approximately 3,000 gallons of sanitary liquid was removed from the sanitary wastewater disposal system; and, the bottom three feet of sludge/sediment from leaching pool S-2 was removed. The subject property was then connected to the municipal sewer system. Following the completion of the RI/FS, a recommendation was made in the report in favor of a no further action alternative, based on the success of previously implemented IRMs. Furthermore, as a result of the IRMs, and the fact that the site no longer constitutes a significant threat to human health or the environment, it was proposed that no additional groundwater monitoring was warranted. This conclusion was based on the data collected during the RI, including seven rounds of on-site and/or off-site groundwater monitoring data. It was also recommended that the subject property be deleted form the registry of Inactive Hazardous Waste Disposal Sites or reclassified to a Class 5 site.

Record of Decision, March 1999

The purpose of the Record of Decision was to present the selected remedial action for the subject property. Based upon the RI/FS conducted by H2M, the NYSDEC selected no further action with continued groundwater monitoring. Groundwater samples will be acquired on a quarterly basis for a minimum of three years or until groundwater standards are achieved. In addition, the NYSDEC will reclassify the site from a Class 2 to a Class 4 on the New York Registry of Inactive Hazardous Waste Disposal Sites. A Class 4 site is one that has been properly closed but requires continued operation, maintenance, and/or monitoring. According to Jamie Ascher, an Engineering Geologist with the NYSDEC and project manager for the site, the reclassification of the site should probably occur within the next few months. A copy of the Record of Decision is provided in Appendix D.

4. Environmental Setting

This section provides a review of the regional environmental setting of the subject property, and includes a review of surface water characteristics, regional groundwater characteristics, regional geology, and radon .

4.1 Surface Water Hydrology

According to a 7.5 minute United States Geological Survey (USGS) topographic map of the Hicksville and Freeport quadrangles, the elevation of the subject property is approximately 125 feet above mean sea level. The nearest surface water body shown on the topographic maps is an unnamed creek/stream located just to the north of the intersection of Jericho Turnpike and the Long Island Expressway approximately 1.75 miles north-northeast of the subject property.

4.2 Hydrogeologic Setting

The geologic formations underneath Nassau County are comprised of a series of unconsolidated deposits of late Cretaceous and Pleistocene age that are underlain by crystalline bedrock of Precambrian age.

The three primary aquifers underlying Nassau County, from shallow to deep, are the Upper Glacial, Magothy and Lloyd. These aquifers are designated as a sole source of drinking water for Nassau and Suffolk Counties.

Groundwater at the subject property is encountered in the Upper Glacial, which is approximately 100 feet thick in Nassau County. The Upper Glacial is comprised of highly permeable sand and gravel with occasional clay beds. The Magothy is the primary aquifer that the water supply in Nassau and Suffolk Counties is obtained from. The Magothy is comprised of fine to medium sand with interbedded clay, sandy clay, silt and gravel and sand. Beneath the Magothy is the Raritan clay formation. This formation is a confining unit comprised of clay and silty clay, and separates the Magothy from the Lloyd. The Raritan has a low hydraulic conductivity, but does allow for hydraulic connection between the Magothy and the Lloyd. The Lloyd is comprised of clay, silt, sandy clay, sand and gravel. The Lloyd is the deepest aquifer and is underlain by impermeable crystalline bedrock.

Based on a review of groundwater elevation maps in the RI/FS report, groundwater flows in a southerly direction and is encountered at a depth of approximately 56 feet below land surface. The Hicksville Water District supplies water to the subject property. The nearest public water supply wellfield is located approximately 4,000 feet south of the subject property.

4.3 Radon

Radon is a naturally occurring radioactive gas generated from the decay of uranium that cannot be seen, smelled, or tasted. Indoor radon levels are dependent upon the construction of the building and the concentration of radon in the underlying soils. ARCADIS Geraghty & Miller did not conduct radon testing as part of the Phase I Environmental Assessment of the subject property.

According to the USEPA, the average radon concentration in Nassau County is 1.3 picocuries per liter (pCi/l). There is no occupational safety guideline for radon exposure in the work place. However, the USEPA safety guideline for radon levels for residential properties is 4.0 (pCi/l). Based on the USEPA safety guideline, the subject property is not considered to be located in an area with the potential for radon contamination.

5. Site Reconnaissance Activities

This section summarizes the inquiries and observations made by ARCADIS Geraghty & Miller during the site reconnaissance. Mr. Christopher Keen of ARCADIS Geraghty & Miller's Melville, New York office performed the site reconnaissance of the subject property on August 13, 1999. Mr. Phil Knott accompanied ARCADIS

Geraghty & Miller on an inspection of the property and provided answers to a site questionnaire. In addition, Mr. Thomas Schad provided answers to the site questionnaire. During the visual inspection of the subject property, ARCADIS Geraghty & Miller took a series of photographs. Those site photographs are presented in Appendix B.

5.1 Building Observations

The subject property consists of 2.1 acres of land. Functional areas of the subject property include paved parking areas on the eastern and southern sides of the property and one single story 25,000 square foot building. Bowe currently utilizes the eastern portion of the building for office space, a showroom, and a parts storage and assembly area. The storage area contains components that are utilized in the assembly of automated mail processing equipment. Jodee Plastics currently utilizes the western portion of the building for storage of plastic products such as landscape materials and fencing slots. According to Mr. Knott, Jodee Plastics currently utilizes the western portion of the building for storage. Each of the functional areas is discussed below.

Two paved parking areas are located along the eastern and southern sides of the subject property. The lots are used for employee and visitor parking. No areas of heavy staining were observed in the parking areas and no recognized environmental conditions were identified with these sections of the property.

The eastern portion of the building is used for office space, a showroom, and a parts storage and assembly area. According to Mr. Schad, this portion of the building was renovated during the early 1990's. The showroom displays various automated mail processing equipment. The parts storage and assembly area is utilized for a number of operations. A caged area is used for storage of various components that comprise the automated mail processing equipment as well as a 55-gallon drum and 5-gallon bucket, which are discussed below in section 5.6. An assembly area occupies the remainder of the eastern portion of the building where equipment assembly occurs. The parts storage and assembly area floor is constructed of concrete and was in good overall condition. A loading area exists in this portion of the building as well. No recognized environmental concerns were identified with respect to the eastern portion of the building.

Jodee Plastics, Inc uses the western portion of the building for storage. Numerous plastic products such as landscape materials and plastic fence inserts are stored in this portion of the building. Due to the manner in which the products were stored (i.e., on

pallets in close proximity to each other), access to areas of this portion of the building were limited during the site reconnaissance. A floor drain was observed along the southern wall of the building. This is apparently the floor drain where PCE entered after spilling inside the building. This floor drain was reported in the RI/FS by H2M and the Record of Decision by the NYSDEC to have been sealed and disconnected from the drywell system outside the building. However, the drain did not appear to be sealed at it's point of origin in the building. No ponded liquids or staining were observed in the vicinity of the floor drain. Suspect asbestos containing materials in the form of pipe insulation and ceiling tile were observed during the site reconnaissance and are discussed below in section 5.8. No recognized environmental conditions were identified with respect to the western portion of the building.

Adjacent to the western portion of the building is the former spray booth area. The inside of this structure is currently utilized to store file cabinets and equipment transportation cases for trade shows. No recognized environmental conditions were identified with respect to the former spray booth area.

5.2 Wooded Areas and Vegetation

No wooded areas are located on the subject property. No areas of stained soil, stressed vegetation, mounded soil, excavations, ponded liquids, or odor were observed in any of the unpaved or vegetated areas during the site reconnaissance.

5.3 Surface Water Bodies

No surface water bodies are located on the subject property.

5.4 Utilities

The Long Island Power Authority (LIPA) supplies electricity to the subject property. Three pad-mounted electrical transformers are present at the northern side of the building. Based on their appearance, the transformers are of older construction and most likely do contain PCBs. The transformers were not labeled with respect to their polychlorinated biphenyl (PCB) content; however, the transformers were in good condition with no visible indications of damage or leakage.

The Hicksville Water District supplies drinking water to the subject property. No private supply wells are present on-site, nor was evidence of private supply wells observed during the site reconnaissance.

The subject property is currently serviced by the municipal sewer system. The subject property was formerly serviced by a subsurface sanitary disposal system consisting of a septic tank and three leaching pools. Following the RI sampling and analysis, the former sanitary disposal system was abandoned following Nassau County Department of Health (NCDH) protocols.

Heat and hot water are provided by natural gas which is reportedly supplied by LIPA.

5.5 On-site ASTs and USTs

During the site reconnaissance, no evidence (vent pipes, fills) of underground storage tanks (USTs) was observed. According to records on file with the NYSDEC, one 1,500 gallon UST was removed in 1992 under the supervision of the NCDH. Allan Brussels of the NCDH, who was the on site inspector, found no evidence of soil contamination during the excavation and removal of the UST. In addition, numerous figures in the RI/FS depict a fuel oil UST on the northern side of the building in the vicinity of the former sanitary disposal system. No aboveground storage tanks (ASTs) were observed during the site reconnaissance.

5.6 Chemical Usage and Storage

During the site inspection, a 55-gallon drum and 5-gallon bucket, containing Spinesstic 22 and Bielomatic oil, respectively, were observed within a caged area in the parts assembly area. According to Mr. Knott, these chemicals are not used in any processes conducted at the site. A hand pump transfers the chemicals to smaller containers that accompany machines that the company sells or for machines that the company's technicians service. The containers were in good condition and no evidence of spills or ponded liquids were observed. No recognized environmental conditions were identified with respect to the current storage of chemicals.

5.7 Waste Handling and Disposal

Sanitary wastes form the subject property is received by the municipal sewer system. Conventional wastes such as paper from office activities, cardboard, etc. are also generated by the subject property. According to the federal and state environmental regulatory agency database, the subject property is listed as having been a small quantity generator of hazardous waste (USEPA Identification No. NYD986972297). However, no violations were on record at this time.

5.8 Asbestos Containing Material

During the ARCADIS Geraghty & Miller site visit, an asbestos survey was conducted. The asbestos survey was limited to visually inspecting surfacing materials, thermal insulating materials, and other miscellaneous building materials. No intrusive inspection techniques such as looking above suspended ceilings or behind walls and plenums was employed. Based on age and appearance, materials observed on-site that are suspected of containing asbestos are ceiling tiles and pipe insulation, both located in the western portion of the building currently utilized for storage. These materials were in fair overall condition. These materials would not pose an immediate risk (if they were to contain asbestos) based on their condition and the fact they are located in areas not frequently accessed by site personnel.

According to Mr. Schad, the eastern portion of the building may have contained asbestos containing materials prior to renovations that were conducted circa 1992. However, no documentation was provided regarding any asbestos sampling and/or abatement activities.

6. Regulatory Agency Database Review

6.1 Environmental Data Resources

Environmental Data Resources, Inc. (EDR) of Southport, Connecticut was retained by ARCADIS Geraghty & Miller to search federal and state environmental databases that identify sites of known or suspected contamination within various distances of the subject property. The search distances conform to those recommended by ASTM in document E 1527-97 for conducting Phase I environmental site assessments. ARCADIS Geraghty & Miller reviewed 32 federal and state environmental regulatory agency databases. A list of the databases (including the 10 ASTM required databases denoted in bold), their specified search distances, and the number of sites identified in each database are provided below.

Database	Search Distance	Sites Identified
1. **National Priorities List (NPL)**	**1-mile radius**	**1**
2. Delisted NPL Site List	Target Property	0
3. **Hazardous Waste Treatment, Storage, and Disposal Facility List.**	**0.5-mile radius**	**2**
4. **State Hazardous Waste Site List.**	**1-mile radius**	**16**
5. **Comprehensive Environmental Response, Compensation and Liability Information System (CERCLIS)**	**0.5-mile radius**	**2**
6. CERCLIS No Further Action List	Target Property	0
7. **Corrective Action List (CORRACTS)**	**1-mile radius**	**2**
8. **State Landfill List.**	**0.5-mile radius**	**1**
9. **Leaking Underground Storage Tanks (LUST) List.**	**0.5-mile radius**	**21**
10. **Registered Underground Storage Tanks (UST) List.**	**0.25-mile radius**	**0**
11. Aboveground Storage Tank (AST)	Target Property	0
12. RCRA Administrative Tracking System (RAATS)	Target Property	0
13. **USEPA Small and Large Quantity Hazardous Waste Generators Lists.**	**0.25-mile radius**	**13**
14. Hazardous Materials Information Reporting System	Target Property	0
15. PCB Activity Database System	Target Property	0
16. **Emergency Response Notification System List (ERNS)**	**Target Property**	**0**

Database	Search Distance	Sites Identified
17. Facility Index System (FINDS)	Target Property	1
18. Toxic Chemical Release Inventory (TRIS)	Target Property	0
19. NPL Liens	Target Property	0
20. Toxic Substances Control Act (TSCA)	Target Property	0
21. Material Licensing Tracking System	Target Property	0
22. New York Spills List	Target Property	1
23. Chemical Storage UST List	0.25-mile radius	0
24. Chemical Storage AST List	0.25-mile radius	0
25. Major Oil Storage Facility UST List	0.5-mile radius	1
26. Major Oil Storage Facility AST List	0.5-mile radius	0
27. Hazardous Substance Waste Disposal Site List	0.5-mile radius	0
28. Voluntary Cleanup Agreements List	0.5-mile radius	0
29. Record of Decision (ROD) List	1-mile radius	1
30. Consent Order List	1-mile radius	1
31. Coal Gas Site List	1-mile radius	0
32. Mines Master Index File	0.25-mile radius	0

The subject property was listed in the State Hazardous Waste Site database, Small Quantity Generator of Hazardous Waste database, and the FINDS and NY Spills databases.

The subject property is listed on the State Hazardous Waste Site database with regard to the PCE spill previously discussed under Previous Environmental Reports. The database indicated that remedial action is complete, which is consistent with the Record of Decision prepared by the NYSDEC. The subject property is listed in the small quantity generator of hazardous waste database. However, no violations were reported for the subject property. The subject property is listed in the FINDS database with regard to the dry cleaning equipment failure, which resulted in the PCE spill that entered the floor drain and drywell system discussed previously. The subject property is also listed on the NY Spills database with regard to a tank removal conducted in 1992. The database indicates that a 1,500-gallon tank was removed under the oversight of Allan Brussels of the Nassau County Department of Health. Furthermore, it was reported that no contamination was found during the removal. The database also indicates that no spill occurred and that no corrective action was required.

The NPL (Superfund) is the USEPA database of uncontrolled or abandoned hazardous waste sites identified for priority remedial actions under the Superfund program. One facility was identified as a NPL site. Anchor Chemicals, located at 500 W. John Street, and between 1/4 and 1/2 mile (approximately 1,900 feet) to the north, is hydraulically upgradient of the Site. The database indicated that contaminated sediment and soil was removed from four on-site drywells in 1995. Following this activity, a No Action Record of Decision (ROD) was signed for the site with post-ROD groundwater monitoring. Based on the distance of the site from the subject property and the cleanup of the site to the satisfaction of the Environmental Protection Agency, this facility does not appear to have impacted the subject property.

The USEPA Hazardous Waste Treatment, Storage, or Disposal (TSD) Facility List is a compilation by the USEPA of facilities that treat, store, or dispose of hazardous waste. Two facilities were identified as Hazardous Waste TSD sites. Magnusonic Devices, Inc., located at 290 Duffy Avenue, and between 1/4 and 1/2 mile (approximately 1,700 feet) to the northeast, is hydraulically up/crossgradient of the Site. General Instrument Corp., located at 600 W. John Street, and between 1/4 and 1/2 mile (approximately 1,900 feet) to the northwest, is hydraulically up/crossgradient of the Site. Based on their distances and hydraulic locations with respect to the site, these sites do not appear to have impacted the subject property.

The State Hazardous Waste Site List contains sites considered to be contaminated or potentially contaminated that present a possible threat to human health and the environment. The subject property is on the Hazardous Waste Site List and was discussed above. Fifteen other sites were identified as state hazardous waste sites

within a 1-mile of the subject property. Twelve of these sites are hydraulically crossgradient and do not appear to have impacted the site. Therefore, they do not appear to have impacted the Site. Two of these sites are hydraulically upgradient/crossgradient. General Instruments Corp. is discussed above. Air Techniques, Inc., located at 70 Cantiague Rock Road and between 1/2 and 1 mile (approximately 2,800 feet) to the northwest has a classification status of properly closed with continued management required. Based on the distance and hydraulic location with respect to the site, this site does not appear to have impacted the subject property. Anchor Lith Kem Ko (Anchor Chemicals) is discussed above.

Sites that have been investigated by the USEPA for a release of hazardous substances pursuant to CERCLA (Superfund Act) are in the CERCLIS List. Two sites are listed as CERCLIS sites. Anchor Chemicals is discussed above. Matco Service Corp., located at 270 Duffy Avenue, and between 1/4 and 1/2 mile (approximately 2,000 feet) to the northeast, is hydraulically up/crossgradient of the Site. Based on the distance and hydraulic location with respect to the site, this site does not appear to have impacted the subject property.

CORRACTS is a list of handlers with RCRA Corrective Action Activity. Two sites were identified as CORRACTS sites. Magnusonic Devices, Inc. and General Instrument Corp. Both sites are discussed above.

The State Landfill List contains an inventory of solid waste disposal facilities or landfills in a particular state. One site was identified as a State Landfill site. Ago Associates located at 449 West John Street, and between 1/4 and 1/2 mile (approximately 2,000 feet) to the north, is hydraulically upgradient of the Site. No significant information was reported in the environmental database.

There are 21 sites within a 1/2-mile radius of the subject property listed as having leaking underground storage tanks (LUSTs). None of these sites adjoin the subject property. None of these sites appear to have impacted the subject property. The nearest LUST site, Doino Tire Service, located at 367 Duffy Avenue, was reported to have had a surface spill that entered a storm drain sewer. This site does not appear to have impacted the subject property.

There are 12 sites, in addition to the subject property, that were listed as Small and Large Quantity Hazardous Waste Generators. None of these sites adjoin the subject property. Furthermore, they are all located either hydraulically downgradient or crossgradient of the subject property.

One site was identified on the Major Oil Storage Facility UST List, Meenan Oil Co., Inc., located at 299 Duffy Avenue.

The databases and radius maps are provided in Appendix E.

6.2 Nassau County Department of Health (NCDH)

A Freedom of Information Law (FOIL) application was submitted to the NCDH on August 12, 1999. A response has not been received at this time regarding the subject property. Once a response is received, any information that presents an environmental concern will be outlined in a letter report.

6.3 Nassau County Fire Marshal (NCFM)

A Freedom of Information Law (FOIL) application was submitted to the NCFM on August 12, 1999. A response was received on August 19, 1999. An inspection of the files at the NCFM on August 20, 1999 did not reveal any information that presented an environmental concern.

7. Conclusions

ARCADIS Geraghty & Miller has performed a Phase I Environmental Site Assessment of the subject property. The Phase I Environmental Site Assessment was performed in accordance with ASTM E 1527-97 and the scope of work, terms, and conditions contained in ARCADIS Geraghty & Miller's written proposal dated August 5 and 11, 1999.

During the Phase I environmental site assessment the following areas of potential environmental concern were assessed: site history, adjacent land usage, site structures and operations, PCBs, asbestos, radon, aboveground and underground storage tanks, fuel and chemical usage and storage, waste handling and disposal, water supply and utilities, and environmental regulatory agency databases.

Upon completion of the Phase I environmental site assessment, ARCADIS Geraghty & Miller has identified no recognized environmental conditions associated with the subject property. However, the following recommendations are offered:

- Should the western portion of the building be renovated of demolished, it is advisable that the suspect ACM materials (i.e., pipe insulation and ceiling tiles) be

sampled prior to disturbance. Should the analytical results render these materials asbestos containing, then proper asbestos abatement procedures should be followed including documentation and disposal.

- If the eastern portion of the building did contain asbestos containing materials prior to renovation, it would be prudent to obtain any documentation, if any exists, related to sampling and/or abatement activities including disposal.

One site was identified on the Major Oil Storage Facility UST List, Meenan Oil Co., Inc., located at 299 Duffy Avenue.

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sampled prior to disturbance. Should the analytical results render these materials asbestos containing, then proper asbestos abatement procedures should be followed including documentation and disposal.

- If the eastern portion of the building did contain asbestos containing materials prior to renovation, it would be prudent to obtain any documentation, if any exists, related to sampling and/or abatement activities including disposal.

8. References

H2M Group, 1998. Remedial Investigation Feasibility Study Report, Volume One, Bowe Systec, Inc., Hicksville, New York, Nassau County, NYSDEC Site No. 1-30-048, November 1998.

New York State Department of Environmental Conservation, 1999. Record of Decision, Bowe Systems and Machinery, Hicksville, Nassau County, Site No. 1-30-048, March 1991.

Knott, P. and Schad, T. 1999. Site Representatives. Personal communication with C. Keen, ARCADIS Geraghty & Miller, Inc., August 13, 1999.

U.S. Geological Survey (USGS), 7.5-minute Topographic Map, Hicksville, New York, Hicksville Quadrangle, 1967, Photorevised 1979.

QUESTION 11

SCHREINER-BLAESER AGENCY CORP.

407A LARKFIELD ROAD

EAST NORTHPORT, NY 11731

Phone: 631-266-2800 Fax: 631-368-2176

Date: 2/15/13

To Our Valued Insured,

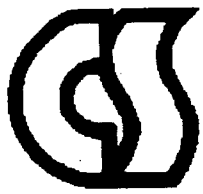
Enclosed is a copy of your policy. Please review it and if you need any changes or corrections made please contact us.

Keep in mind that we do offer all types of commercial and personal insurance. Please note that we do offer Flood Insurance. We look forward to working with you to see if we can provide you with better rates or special combination offers.

Thank you for your business and we look forward to providing you with another great year of service.

Sincerely,

Schreiner-Blaeser Agency Corp.



Century Surety Company

465 CLEVELAND AVENUE
WESTERVILLE, OH 43082

A STOCK COMPANY

COMMERCIAL LINES POLICY

THIS POLICY JACKET WITH COMMON POLICY CONDITIONS, THE DECLARATIONS PAGE, COVERAGE PART(S), COVERAGE FORM(S) AND APPLICABLE FORMS AND ENDORSEMENTS COMPLETE THIS POLICY.

CSCP1000 (02/04)

Century Surety Company

465 Cleveland Avenue
Westerville, Ohio 43082
614-895-2000
www.centurysurety.com

COMMERCIAL LINES POLICY
COMMON POLICY DECLARATIONS

POLICY NO.: CCP 806008
NAMED INSURED AND ADDRESS:
200 Frank Rd Realty Corp.
200 Frank Road
Hicksville NY 11801

Renewal of CCP 743941
CODE NO.:6077A
INSUREDS AGENT:
Schreiner-Blaeser Agency Corp.
407 A Larkfield Road
East Northport NY 11731

POLICY PERIOD: From:01-18-2013 To:01-18-2014 at 12:01 A.M. Standard time at your mailing address shown above.

Business Description: Occupied Warehouse

○ Individual ○ Joint Venture ○ Partnership ○ Limited Liability Company (LLC) ◉ Organization (Other than Partnership, LLC or Joint Venture)

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.
THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS FOR WHICH A PREMIUM IS INDICATED. THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.

	PREMIUM
Commercial General Liability Coverage Part	$3,309.00
Inspection fee	$150.00
Policy fee	$100.00
25 % of the Policy Premium is fully earned as of the effective date of this policy and is not subject to return or refund. TOTAL	$3,559.00

Service of Suit (if form CCP 20 10 is attached) may be made upon:

Buckingham Badler Associates, Inc.
2 Teleport Drive Corporate Commons; Suite 105 Staten Island NY 10311

Form(s) and Endorsement(s) made a part of this policy at time of issue*:
See Attached Schedule of Forms, CIL 15 00b 02 02

*Omits applicable Forms and Endorsements if shown in specific Coverage Part/Coverage Form Declarations.

Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing false or deceptive statement is guilty of insurance fraud.

COMPANY REPRESENTATIVE:
Buckingham Badler Associates, Inc.
2 Teleport Drive
Corporate Commons; Suite 105
Staten Island NY 10311

Countersigned By _____ Authorized Representative
02/01/2013 SEB

IN WITNESS WHEREOF, this Company has executed and attested these presents; but this policy shall not be valid unless countersigned by the duly Authorized Agent of this Company at the Agency hereinbefore mentioned.

Secretary President

CSCP 10 01 05 09

ELANY
EXCESS LINE ASSOCIATION OF NEW YORK

This is to certify that Excess Line Association of New York received and reviewed the attached insurance document in accordance with Article 21 of the New York State Insurance Law 02/05/2013

THE INSURER(S) NAMED HEREIN IS (ARE) NOT LICENSED BY THE STATE OF NEW YORK, NOT SUBJECT TO ITS SUPERVISION, AND IN THE EVENT OF THE INSOLVENCY OF THE INSURER(S), NOT PROTECTED BY THE NEW YORK STATE SECURITY FUNDS. THE POLICY MAY NOT BE SUBJECT TO ALL OF THE REGULATIONS OF THE DEPARTMENT OF FINANCIAL SERVICES PERTAINING TO POLICY FORMS.

SCHEDULE OF FORMS AND ENDORSEMENTS

(other than applicable forms and endorsements shown elsewhere in the policy)

Forms and Endorsements applying to the Coverage Parts listed below and made a part of this policy at time of issue:

Form/ Endt. #		Edition Date	Title	Total # of Forms Selected: 21
Forms Applicable to this Coverage part - INTERLINE-ALL COVERAGE PARTS				
CCP	2010	05 08	Service of Suit Clause	
CIL	1500B	02 02	Schedule of Forms and Endorsements	
CSCP	1000	02 04	Century Surety Company Policy Jacket	
CSCP	1001	05 09	Century Surety Company Common Policy Declarations	
IL	0003	09 08	Calculation of Premium	
IL	0017	11 98	Common Policy Conditions	
PRIV	0001	11 09	Privacy Statement	
TRIA	0001	10 08	Policyholder Disclosure Notice of Terrorism	

8 Forms

Forms Applicable to this Coverage part - GENERAL LIABILITY			
CG	0001	12 07	Commercial General Liability Coverage Form
CG	0068	05 09	Recording and Distribution of Material or Information In Violation of Law Exclusion
CG	0300	01 96	Deductible Liability Insurance
CG	2147	12 07	Employment-Related Practices Exclusion
CG	2165	12 04	Total Pollution Exclusion With A Building Heating , Cooling and Dehumidifying Equipment Exception and A Hostile Fire Exception
CG	2175	06 08	Exclusion of Certified Acts of Terrorism and Exclusion of Other Acts of Terrorism Committed Outside the United States
CG	2176	01 08	Exclusion of Punitive Damages Related to Certified Act of Terrorism
CG	2184	01 08	Exclusion of Certified Nuclear, Biological, Chemical or Radiological Acts of Terrorism; Cap on Losses from Certified Acts of Terrorism
CG	2196	03 05	Silica or Silica-Related Dust Exclusion
CGL	1500	04 07	Century Insurance Group Commercial General Liability Declarations
CGL	1701	05 10	Special Exclusions and Limitations Endorsement
CGL	1711a	09 11	Classification and Location Limitation Endorsement
IL	0021	09 08	Nuclear Energy Liability Exclusion Endorsement (Broad Form)

13 Forms

SERVICE OF SUIT CLAUSE

This endorsement modifies insurance provided by the policy to which this form is attached.

It is agreed that in the event of the failure by us to pay any amount claimed to be due hereunder, we will, at your request, submit to the jurisdiction of a court of competent jurisdiction within the United States of America. Nothing in this clause constitutes or should be understood to constitute a waiver of our rights to commence an action in a court of competent jurisdiction in the United States of America, to remove an action to a United States District Court, or to seek a transfer of a case to another court as permitted by the laws of the United States of America or of any state in the United States of America. In any such suit against us, we will abide by the final decision of such court or of any Appellate Court in the event of an appeal.

It is further agreed that service of process in such suit may be made upon the person or organization shown in the Policy Declarations or upon us at the address shown in the policy jacket.

The above named are authorized and directed to accept service of process on behalf of us in any such suit and/or upon your request to give a written undertaking to you that we will enter a general appearance upon our behalf in the event such a suit shall be instituted.

Further, pursuant to any statute of any state, territory, or district of the United States of America, which makes provision therefore, we hereby designate the Superintendent, Commissioner, or Directors of Insurance or other officer specified for that purpose in the statute or his successor or successors in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit, or proceeding instituted by or on your behalf or any beneficiary hereunder arising out of this contract of insurance, and hereby designates the above named as the person to whom the said officer is authorized to mail such process or a true copy thereof.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALCULATION OF PREMIUM

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART

The following is added:

The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation, or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.

COMMON POLICY CONDITIONS

All Coverage parts included in this policy are subject to the following conditions.

A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advanced written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
   a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
   b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

C. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

D. Inspections And Surveys

1. We have the right to:
   a. Make inspections and surveys at any time;
   b. Give you reports on the conditions we find; and
   c. Recommend changes.
2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
   a. Are safe or healthful; or
   b. Comply with laws, regulations, codes or standards.
3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate services or similar organization which makes insurance inspections, surveys, reports or recommendations.
4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

E. Premiums

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

F. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

Privacy Statement

In applying for insurance products and services with Meadowbrook Insurance Group, Inc.'s subsidiaries, you may have provided us with non-public personal information. Additionally, we may seek additional information, such as your creditworthiness or credit history, from third party reporting agencies. This information allows us to provide you with the best products and customer service. Keeping your personal information private and secure, whether learned directly from you or a third party reporting agency, is our priority.

The categories of non-public personal and financial information that we collect may include your name, address, social security or employer identification number, assets, income, date of birth, motor vehicle driving information and other information that is appropriate or necessary to provide you with the insurance products and services that you request.

We do not disclose any non-public personal or financial information about you, unless permitted or required by law or with your consent.

We may have shared this information with affiliated parties as permitted by law. We refer to and use that information to issue and service your insurance policies, provide insurance services or administer claims. We restrict access to your non-public personal and financial information to those employees who need the information to provide you with products or services.

We maintain physical, electronic and procedural safeguards to protect your non-public personal and financial information. These safeguards comply with federal and state regulations.

If you contact us at our website, "www. Meadowbrook.com" we do not use "cookies", which many organizations use to track visitors' actions on their websites. Cookies are a general mechanism that can store and retrieve information on your computer.

We value the relationship that we have established with current and former customers. Should you have any comments or questions regarding our Privacy Policy, please contact us at 800-482-2726.

This Privacy Policy applies to the following companies: (1) Meadowbrook Insurance Group, Inc.'s insurance company subsidiaries (Star Insurance Company, Ameritrust Insurance Corporation, Savers Property & Casualty Insurance Company, Williamsburg National Insurance Company, ProCentury Insurance Company, and Century Surety Company); (2) Crest Financial Corporation's subsidiaries; and (3) Meadowbrook, Inc.'s subsidiaries.

NOTE TO AGENT:

It is required by federal law that you provide this document to the insured.

POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

Coverage for acts of terrorism is included in your policy. You are hereby notified that under the Terrorism Risk Insurance Act, as amended in 2007, the definition of act of terrorism has changed. As defined in Section 102(1) of the Act: The term "act of terrorism" means any act that is certified by the Secretary of the Treasury--in concurrence with the Secretary of State, and the Attorney General of the United States--to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion. Under your coverage, any losses resulting from certified acts of terrorism may be partially reimbursed by the United States Government under a formula established by the Terrorism Risk Insurance Act, as amended. However, your policy may contain other exclusions which might affect your coverage, such as an exclusion for nuclear events. Under the formula, the United States Government generally reimburses 85% of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. The Terrorism Risk Insurance Act, as amended, contains a $100 billion cap that limits U.S. Government reimbursement as well as insurers' liability for losses resulting from certified acts of terrorism when the amount of such losses exceeds $100 billion in any one calendar year. If the aggregate insured losses for all insurers exceed $100 billion, your coverage may be reduced.

THIS IS NOTIFICATION THAT UNDER THE TERRORISM RISK INSURANCE ACT, AS AMENDED, ANY LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM UNDER THE POLICY COVERAGE MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT, MAY BE SUBJECT TO A $100 BILLION CAP THAT MAY REDUCE THE COVERAGE AND THE POLICYHOLDER HAS BEEN NOTIFIED OF THE PORTION OF THE PREMIUM ATTRIBUTABLE TO SUCH COVERAGE

The portion of your annual premium that is attributable to coverage for acts of terrorism is:

Property	$	
Inland Marine	$	
Crime		Excluded
General Liability	$	0
Garage		Excluded
	$	
Total	**$**	**0**

Name of Insurer: Century Surety Company

Policy Number: CCP 806008

TRIA 0001 1008

Century Surety Company

COMMERCIAL GENERAL LIABILITY COVERAGE PART DECLARATIONS

Policy No: CCP 806008

Effective Date: 01/18/2013 **
12:01 A.M. Standard Time

NAMED INSURED: 200 Frank Rd Realty Corp.

LIMITS OF INSURANCE:		
General Aggregate Limit (Other than Product-Completed Operations)	$ 2,000,000	
Products-Completed Operations Aggregate Limit	$ Included in the General Aggregate	
Personal and Advertising Injury Limit	$ 1,000,000	
Each Occurrence Limit	$ 1,000,000	
Damage to Premises Rented to You	$ 100,000	**Any one Fire/ Occurrence**
Medical Expense Limit	$ 5,000	**Any one Person**

RETROACTIVE DATE: (CG 00 02, CGL 0002, CGL 1551 or CGL 1553)

Coverage A and B of this insurance does not apply to "bodily injury", "property damage", "personal and advertising injury", "personal injury" or "advertising injury" which occurs before the retroactive date shown here: N/A

DEDUCTIBLE: Per Claim

$ 500 Bodily Injury Liability & Property Damage Liability Combined

(this deductible also applies to Personal and Advertising Injury Liability.)

Deductible also applies to Supplementary Payments - Coverages A and B; Defense Expenses Coverages A and B (form CGL 0002 only) ☒ Yes ☐ No

LOCATION OF ALL PREMISES YOU OWN, RENT OR OCCUPY:

200 Frank Road
Hicksville, NY 11801

PREMIUM State	Terr	Code	Classification		Prem. Basis	RATE: Prem. Ops.	Pr/Co	ADVANCED PREMIUM Pr/Co	All Other
NY	007	68702	Warehouses-occupied by multiple interests (lessor's risk only)	a)	25,000	132.352	Incl	Incl	3309

Audit period is Annual Unless Otherwise Stated

Total Advance Premium $	3309
TRIA Coverage $	0
Minimum Premium for This Coverage Part $	3309

FORMS AND ENDORSEMENTS (other than applicable Forms and Endorsements shown elsewhere in the policy):
Forms and Endorsements applying to this Coverage Part and made part of this policy at time of issue:
See Attached Schedule of Forms, CIL 15 00B 02 02

*Inclusion of Date Optional

THESE DECLARATIONS ARE PART OF THE POLICY DECLARATIONS CONTAINING THE NAME OF THIS INSURED AND THE POLICY PERIOD

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section **II** – Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section **V** – Definitions.

SECTION I – COVERAGES

COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. Insuring Agreement

a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

(1) The amount we will pay for damages is limited as described in Section **III** – Limits Of Insurance; and

(2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages **A** or **B** or medical expenses under Coverage **C.**

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages **A** and **B.**

b. This insurance applies to "bodily injury" and "property damage" only if:

(1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";

(2) The "bodily injury" or "property damage" occurs during the policy period; and

(3) Prior to the policy period, no insured listed under Paragraph **1.** of Section **II** – Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph **1.** of Section **II** – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.

d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph **1.** of Section **II** – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

(1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;

(2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or

(3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

2. Exclusions

This insurance does not apply to:

a. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

b. Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

(1) That the insured would have in the absence of the contract or agreement; or

(2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:

(a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and

(b) Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

(1) Causing or contributing to the intoxication of any person;

(2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or

(3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

d. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

e. Employer's Liability

"Bodily injury" to:

(1) An "employee" of the insured arising out of and in the course of:

(a) Employment by the insured; or

(b) Performing duties related to the conduct of the insured's business; or

(2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph **(1)** above.

This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

f. Pollution

(1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

(a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:

(i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;

(ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or

(iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";

(b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;

(c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:

(i) Any insured; or

(ii) Any person or organization for whom you may be legally responsible; or

(d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:

(i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;

(ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or

(iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".

(e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".

(2) Any loss, cost or expense arising out of any:

(a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or

(b) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

g. Aircraft, Auto Or Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

(1) A watercraft while ashore on premises you own or rent;

(2) A watercraft you do not own that is:

(a) Less than 26 feet long; and

(b) Not being used to carry persons or property for a charge;

(3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;

(4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or

(5) "Bodily injury" or "property damage" arising out of:

(a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged; or

(b) the operation of any of the machinery or equipment listed in Paragraph **f.(2)** or **f.(3)** of the definition of "mobile equipment".

h. Mobile Equipment

"Bodily injury" or "property damage" arising out of:

(1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or

(2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

i. War

"Bodily injury" or "property damage", however caused, arising, directly or indirectly, out of:

(1) War, including undeclared or civil war;

(2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

(3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

j. Damage To Property

"Property damage" to:

(1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;

(2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;

(3) Property loaned to you;

(4) Personal property in the care, custody or control of the insured;

(5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or

(6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs **(1), (3)** and **(4)** of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of 7 or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in Section **III** – Limits Of Insurance.

Paragraph **(2)** of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs **(3), (4), (5)** and **(6)** of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph **(6)** of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

k. Damage To Your Product

"Property damage" to "your product" arising out of it or any part of it.

l. Damage To Your Work

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

m. Damage To Impaired Property Or Property Not Physically Injured

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

(1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or

(2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

n. Recall Of Products, Work Or Impaired Property

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

(1) "Your product";

(2) "Your work"; or

(3) "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

o. Personal And Advertising Injury

"Bodily injury" arising out of "personal and advertising injury".

p. Electronic Data

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

q. Distribution Of Material In Violation Of Statutes

"Bodily injury" or "property damage" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

(1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law; or

(2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or

(3) Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating or distribution of material or information.

(3) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs **14.a., b.** and **c.** of "personal and advertising injury" under the Definitions Section.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

k. Electronic Chatrooms Or Bulletin Boards

"Personal and advertising injury" arising out of an electronic chatroom or bulletin board the insured hosts, owns, or over which the insured exercises control.

l. Unauthorized Use Of Another's Name Or Product

"Personal and advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

m. Pollution

"Personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

n. Pollution-Related

Any loss, cost or expense arising out of any:

(1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or

(2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

o. War

"Personal and advertising injury", however caused, arising, directly or indirectly, out of:

(1) War, including undeclared or civil war;

(2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

(3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

p. Distribution Of Material In Violation Of Statutes

"Personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

(1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law; or

(2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or

(3) Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating or distribution of material or information.

COVERAGE C MEDICAL PAYMENTS

1. Insuring Agreement

a. We will pay medical expenses as described below for "bodily injury" caused by an accident:

(1) On premises you own or rent;

(2) On ways next to premises you own or rent; or

(3) Because of your operations;

provided that:

(a) The accident takes place in the "coverage territory" and during the policy period;

(b) The expenses are incurred and reported to us within one year of the date of the accident; and

(c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:

(1) First aid administered at the time of an accident;

(2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and

(3) Necessary ambulance, hospital, professional nursing and funeral services.

2. Exclusions

We will not pay expenses for "bodily injury":

a. Any Insured

To any insured, except "volunteer workers".

b. Hired Person

To a person hired to do work for or on behalf of any insured or a tenant of any insured.

c. Injury On Normally Occupied Premises

To a person injured on that part of premises you own or rent that the person normally occupies.

d. Workers Compensation And Similar Laws

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

e. Athletics Activities

To a person injured while practicing, instructing or participating in any physical exercises or games, sports, or athletic contests.

f. Products-Completed Operations Hazard

Included within the "products-completed operations hazard".

g. Coverage A Exclusions

Excluded under Coverage **A.**

SUPPLEMENTARY PAYMENTS – COVERAGES A AND B

1. We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:

a. All expenses we incur.

b. Up to $250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.

c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.

d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to $250 a day because of time off from work.

e. All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.

f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.

g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

2. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:

a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";

b. This insurance applies to such liability assumed by the insured;

c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";

d. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;

e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and

f. The indemnitee:

(1) Agrees in writing to:

(a) Cooperate with us in the investigation, settlement or defense of the "suit";

(b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";

(c) Notify any other insurer whose coverage is available to the indemnitee; and

(d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and

(2) Provides us with written authorization to:

(a) Obtain records and other information related to the "suit"; and

(b) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph **2.b.(2)** of Section **I** – Coverage **A** – Bodily Injury And Property Damage Liability, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when we have used up the applicable limit of insurance in the payment of judgments or settlements or the conditions set forth above, or the terms of the agreement described in Paragraph **f.** above, are no longer met.

SECTION II – WHO IS AN INSURED

1. If you are designated in the Declarations as:

a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.

b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.

c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.

d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.

e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

2. Each of the following is also an insured:

a. Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:

(1) "Bodily injury" or "personal and advertising injury":

(a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;

(b) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph **(1)(a)** above;

(c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs **(1)(a)** or **(b)** above; or

(d) Arising out of his or her providing or failing to provide professional health care services.

(2) "Property damage" to property:

(a) Owned, occupied or used by,

(b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by

you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

b. Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.

c. Any person or organization having proper temporary custody of your property if you die, but only:

(1) With respect to liability arising out of the maintenance or use of that property; and

(2) Until your legal representative has been appointed.

d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.

3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;

b. Coverage **A** does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and

c. Coverage **B** does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

SECTION III – LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:

a. Insureds;

b. Claims made or "suits" brought; or

c. Persons or organizations making claims or bringing "suits".

2. The General Aggregate Limit is the most we will pay for the sum of:

a. Medical expenses under Coverage **C;**

b. Damages under Coverage **A,** except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and

c. Damages under Coverage **B.**

3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage **A** for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".

4. Subject to Paragraph **2.** above, the Personal and Advertising Injury Limit is the most we will pay under Coverage **B** for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization.

5. Subject to Paragraph **2.** or **3.** above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:

a. Damages under Coverage **A;** and

b. Medical expenses under Coverage **C**

because of all "bodily injury" and "property damage" arising out of any one "occurrence".

6. Subject to Paragraph **5.** above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage **A** for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.

7. Subject to Paragraph **5.** above, the Medical Expense Limit is the most we will pay under Coverage **C** for all medical expenses because of "bodily injury" sustained by any one person.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS

1. **Bankruptcy**

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

2. **Duties In The Event Of Occurrence, Offense, Claim Or Suit**

a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:

(1) How, when and where the "occurrence" or offense took place;

(2) The names and addresses of any injured persons and witnesses; and

(3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

b. If a claim is made or "suit" is brought against any insured, you must:

(1) Immediately record the specifics of the claim or "suit" and the date received; and

(2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.

c. You and any other involved insured must:

(1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";

(2) Authorize us to obtain records and other information;

(3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and

(4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.

d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

3. Legal Action Against Us

No person or organization has a right under this Coverage Part:

a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or

b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages **A** or **B** of this Coverage Part, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when Paragraph **b.** below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph **c.** below.

b. Excess Insurance

(1) This insurance is excess over:

(a) Any of the other insurance, whether primary, excess, contingent or on any other basis:

(i) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";

(ii) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;

(iii) That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner; or

(iv) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion **g.** of Section **I** – Coverage **A** – Bodily Injury And Property Damage Liability.

(b) Any other primary insurance available to you covering liability for damages arising out of the premises or operations, or the products and completed operations, for which you have been added as an additional insured by attachment of an endorsement.

(2) When this insurance is excess, we will have no duty under Coverages **A** or **B** to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

(3) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

(a) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and

(b) The total of all deductible and self-insured amounts under all that other insurance.

(4) We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

c. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

5. Premium Audit

a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.

b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.

c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

6. Representations

By accepting this policy, you agree:

a. The statements in the Declarations are accurate and complete;

b. Those statements are based upon representations you made to us; and

c. We have issued this policy in reliance upon your representations.

7. Separation Of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

a. As if each Named Insured were the only Named Insured; and

b. Separately to each insured against whom claim is made or "suit" is brought.

8. Transfer Of Rights Of Recovery Against Others To Us

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

9. When We Do Not Renew

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

SECTION V – DEFINITIONS

1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:

a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and

b. Regarding web-sites, only that part of a web-site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.

2. "Auto" means:

a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or

b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".

3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.

4. "Coverage territory" means:

   a. The United States of America (including its territories and possessions), Puerto Rico and Canada;

   b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in Paragraph **a.** above; or

   c. All other parts of the world if the injury or damage arises out of:

      (1) Goods or products made or sold by you in the territory described in Paragraph **a.** above;

      (2) The activities of a person whose home is in the territory described in Paragraph **a.** above, but is away for a short time on your business; or

      (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication

   provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in Paragraph **a.** above or in a settlement we agree to.

5. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".

6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.

7. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.

8. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:

   a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or

   b. You have failed to fulfill the terms of a contract or agreement;

   if such property can be restored to use by the repair, replacement, adjustment or removal of "your product" or "your work" or your fulfilling the terms of the contract or agreement.

9. "Insured contract" means:

   a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";

   b. A sidetrack agreement;

   c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;

   d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;

   e. An elevator maintenance agreement;

   f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

      Paragraph **f.** does not include that part of any contract or agreement:

      (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;

      (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:

         (a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or

         (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or

      (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in **(2)** above and supervisory, inspection, architectural or engineering activities.

10. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".

11. "Loading or unloading" means the handling of property:

    a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";

    b. While it is in or on an aircraft, watercraft or "auto"; or

    c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

    but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

12. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

    a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;

    b. Vehicles maintained for use solely on or next to premises you own or rent;

    c. Vehicles that travel on crawler treads;

    d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:

    (1) Power cranes, shovels, loaders, diggers or drills; or

    (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;

    e. Vehicles not described in Paragraph **a., b., c.** or **d.** above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:

    (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or

    (2) Cherry pickers and similar devices used to raise or lower workers;

    f. Vehicles not described in Paragraph **a., b., c.** or **d.** above maintained primarily for purposes other than the transportation of persons or cargo.

    However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

    (1) Equipment designed primarily for:

    (a) Snow removal;

    (b) Road maintenance, but not construction or resurfacing; or

    (c) Street cleaning;

    (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and

    (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

    However, "mobile equipment" does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

13. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

14. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:

    a. False arrest, detention or imprisonment;

    b. Malicious prosecution;

    c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;

    d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;

    e. Oral or written publication, in any manner, of material that violates a person's right of privacy;

    f. The use of another's advertising idea in your "advertisement"; or

    g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".

15. "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

16. "Products-completed operations hazard":

a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

(1) Products that are still in your physical possession; or

(2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:

(a) When all of the work called for in your contract has been completed.

(b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.

(c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

b. Does not include "bodily injury" or "property damage" arising out of:

(1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;

(2) The existence of tools, uninstalled equipment or abandoned or unused materials; or

(3) Products or operations for which the classification, listed in the Declarations or in a policy schedule, states that products-completed operations are subject to the General Aggregate Limit.

17. "Property damage" means:

a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or

b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

18. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:

a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or

b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

19. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

20. "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

21. "Your product":

a. Means:

(1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:

(a) You;

(b) Others trading under your name; or

(c) A person or organization whose business or assets you have acquired; and

(2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

b. Includes:

(1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and

(2) The providing of or failure to provide warnings or instructions.

c. Does not include vending machines or other property rented to or located for the use of others but not sold.

22. "Your work":

a. Means:

(1) Work or operations performed by you or on your behalf; and

(2) Materials, parts or equipment furnished in connection with such work or operations.

b. Includes:

(1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work", and

(2) The providing of or failure to provide warnings or instructions.

RECORDING AND DISTRIBUTION OF MATERIAL OR INFORMATION IN VIOLATION OF LAW EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. Exclusion **q.** of Paragraph **2. Exclusions** of Section **I – Coverage A – Bodily Injury And Property Damage Liability** is replaced by the following:

2. Exclusions

This insurance does not apply to:

q. Recording And Distribution Of Material Or Information In Violation Of Law

"Bodily injury" or "property damage" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

(1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;

(2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;

(3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transaction Act (FACTA); or

(4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

B. Exclusion **p.** of Paragraph **2. Exclusions** of Section **I – Coverage B – Personal And Advertising Injury Liability** is replaced by the following:

2. Exclusions

This insurance does not apply to:

p. Recording And Distribution Of Material Or Information In Violation Of Law

"Personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

(1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;

(2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;

(3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transaction Act (FACTA); or

(4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DEDUCTIBLE LIABILITY INSURANCE

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

SCHEDULE

Coverage	Amount and Basis of Deductible PER CLAIM	or	PER OCCURRENCE
Bodily Injury Liability	$		$
OR			
Property Damage Liability	$		$
OR			
Bodily Injury Liability and/or Property Damage Liability Combined	$	500	$

APPLICATION OF ENDORSEMENT (Enter below any limitations on the application of this endorsement. If no limitation is entered, the deductibles apply to damages for all "bodily injury" and "property damage", however caused):

A. Our obligation under the Bodily Injury Liability and Property Damage Liability Coverages to pay damages on your behalf applies only to the amount of damages in excess of any deductible amounts stated in the Schedule above as applicable to such coverages.

B. You may select a deductible amount on either a per claim or a per "occurrence" basis. Your selected deductible applies to the coverage option and to the basis of the deductible indicated by the placement of the deductible amount in the Schedule above. The deductible amount stated in the Schedule above applies as follows:

1. PER CLAIM BASIS. If the deductible amount indicated in the Schedule above is on a per claim basis, that deductible applies as follows:

a. Under Bodily Injury Liability Coverage, to all damages sustained by any one person because of "bodily injury";

b. Under Property Damage Liability Coverage, to all damages sustained by any one person because of "property damage"; or

c. Under Bodily Injury Liability and/or Property Damage Liability Coverage Combined, to all damages sustained by any one person because of:

(1) "Bodily injury";

(2) "Property damage"; or

(3) "Bodily injury" and "property damage" combined

as the result of any one "occurrence".

If damages are claimed for care, loss of services or death resulting at any time from "bodily injury", a separate deductible amount will be applied to each person making a claim for such damages.

With respect to "property damage", person includes an organization.

2. **PER OCCURRENCE BASIS.** If the deductible amount indicated in the Schedule above is on a "per occurrence" basis, that deductible amount applies as follows:
   a. Under Bodily Injury Liability Coverage, to all damages because of "bodily injury";
   b. Under Property Damage Liability Coverage, to all damages because of "property damage"; or
   c. Under Bodily Injury Liability and/or Property Damage Liability Coverage Combined, to all damages because of:
      (1) "Bodily injury";
      (2) "Property damage"; or
      (3) "Bodily injury" and "property damage" combined

   as the result of any one "occurrence", regardless of the number of persons or organizations who sustain damages because of that "occurrence".

C. The terms of this insurance, including those with respect to:
   1. Our right and duty to defend the insured against any "suits" seeking those damages; and
   2. Your duties in the event of an "occurrence", claim, or "suit"

   apply irrespective of the application of the deductible amount.

D. We may pay any part or all of the deductible amount to effect settlement of any claim or "suit" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as has been paid by us.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EMPLOYMENT-RELATED PRACTICES EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. The following exclusion is added to Paragraph **2., Exclusions** of Section **I – Coverage A – Bodily Injury And Property Damage Liability:**

This insurance does not apply to:

"Bodily injury" to:

(1) A person arising out of any:

(a) Refusal to employ that person;

(b) Termination of that person's employment; or

(c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or

(2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any of the employment-related practices described in Paragraphs **(a), (b),** or **(c)** above is directed.

This exclusion applies:

(1) Whether the injury-causing event described in Paragraphs **(a), (b)** or **(c)** above occurs before employment, during employment or after employment of that person;

(2) Whether the insured may be liable as an employer or in any other capacity; and

(3) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

B. The following exclusion is added to Paragraph **2., Exclusions** of Section **I – Coverage B – Personal And Advertising Injury Liability:**

This insurance does not apply to:

"Personal and advertising injury" to:

(1) A person arising out of any:

(a) Refusal to employ that person;

(b) Termination of that person's employment; or

(c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or

(2) The spouse, child, parent, brother or sister of that person as a consequence of "personal and advertising injury" to that person at whom any of the employment-related practices described in Paragraphs **(a), (b),** or **(c)** above is directed.

This exclusion applies:

(1) Whether the injury-causing event described in Paragraphs **(a), (b)** or **(c)** above occurs before employment, during employment or after employment of that person;

(2) Whether the insured may be liable as an employer or in any other capacity; and

(3) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TOTAL POLLUTION EXCLUSION WITH A BUILDING HEATING, COOLING AND DEHUMIDIFYING EQUIPMENT EXCEPTION AND A HOSTILE FIRE EXCEPTION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Exclusion **f.** under Paragraph **2. Exclusions** of **Section I – Coverage A – Bodily Injury And Property Damage Liability** is replaced by the following:

This insurance does not apply to:

f. Pollution

(1) "Bodily injury" or "property damage" which would not have occurred in whole or part but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

This exclusion does not apply to:

(a) "Bodily injury" if sustained within a building which is or was at any time owned or occupied by, or rented or loaned to, any insured and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests; or

(b) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire" unless that "hostile fire" occurred or originated:

(i) At any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste; or

(ii) At any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations to test for, monitor, clean up, remove, contain, treat, detoxify, neutralize or in any way respond to, or assess the effects of, "pollutants".

(2) Any loss, cost or expense arising out of any:

(a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or

(b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTIFIED ACTS OF TERRORISM AND EXCLUSION OF OTHER ACTS OF TERRORISM COMMITTED OUTSIDE THE UNITED STATES

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY

A. The following exclusion is added:

This insurance does not apply to:

TERRORISM

"Any injury or damage" arising, directly or indirectly, out of a "certified act of terrorism", or out of an "other act of terrorism" that is committed outside of the United States (including its territories and possessions and Puerto Rico), but within the "coverage territory". However, with respect to an "other act of terrorism", this exclusion applies only when one or more of the following are attributed to such act:

1. The total of insured damage to all types of property exceeds $25,000,000 (valued in US dollars). In determining whether the $25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the terrorism and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions; or

2. Fifty or more persons sustain death or serious physical injury. For the purposes of this provision, serious physical injury means:

a. Physical injury that involves a substantial risk of death; or

b. Protracted and obvious physical disfigurement; or

c. Protracted loss of or impairment of the function of a bodily member or organ; or

3. The terrorism involves the use, release or escape of nuclear materials, or directly or indirectly results in nuclear reaction or radiation or radioactive contamination; or

4. The terrorism is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or

5. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the terrorism was to release such materials.

With respect to this exclusion, Paragraphs **1.** and **2.** describe the thresholds used to measure the magnitude of an incident of an "other act of terrorism" and the circumstances in which the threshold will apply for the purpose of determining whether this exclusion will apply to that incident.

B. The following definitions are added:

1. For the purposes of this endorsement, "any injury or damage" means any injury or damage covered under any Coverage Part to which this endorsement is applicable, and includes but is not limited to "bodily injury", "property damage", "personal and advertising injury", "injury" or "environmental damage" as may be defined in any applicable Coverage Part.

2. "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

   a. The act resulted in insured losses in excess of $5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act;

   b. The act resulted in damage:

      (1) Within the United States (including its territories and possessions and Puerto Rico); or

      (2) Outside of the United States in the case of:

         (a) An air carrier (as defined in Section 40102 of title 49, United States Code) or United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), regardless of where the loss occurs; or

         (b) The premises of any United States mission; and

   c. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

3. "Other act of terrorism" means a violent act or an act that is dangerous to human life, property or infrastructure that is committed by an individual or individuals and that appears to be part of an effort to coerce a civilian population or to influence the policy or affect the conduct of any government by coercion, and the act is not a "certified act of terrorism".

   Multiple incidents of an "other act of terrorism" which occur within a seventy-two hour period and appear to be carried out in concert or to have a related purpose or common leadership shall be considered to be one incident.

C. In the event of any incident of a "certified act of terrorism" or an "other act of terrorism" that is not subject to this exclusion, coverage does not apply to any loss or damage that is otherwise excluded under this Coverage Part.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF PUNITIVE DAMAGES RELATED TO A CERTIFIED ACT OF TERRORISM

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY

A. The following exclusion is added:

This insurance does not apply to:

TERRORISM PUNITIVE DAMAGES

Damages arising, directly or indirectly, out of a "certified act of terrorism" that are awarded as punitive damages.

B. The following definition is added:

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of $5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTIFIED NUCLEAR, BIOLOGICAL, CHEMICAL OR RADIOLOGICAL ACTS OF TERRORISM; CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY

A. The following exclusion is added:

This insurance does not apply to:

TERRORISM

"Any injury or damage" arising, directly or indirectly, out of a "certified act of terrorism". However, this exclusion applies only when one or more of the following are attributed to such act:

1. The terrorism involves the use, release or escape of nuclear materials, or directly or indirectly results in nuclear reaction or radiation or radioactive contamination; or
2. The terrorism is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
3. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the terrorism was to release such materials.

B. The following definitions are added:

1. For the purposes of this endorsement, "any injury or damage" means any injury or damage covered under any Coverage Part to which this endorsement is applicable, and includes but is not limited to "bodily injury", "property damage", "personal and advertising injury", "injury" or "environmental damage" as may be defined in any applicable Coverage Part.
2. "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:
   a. The act resulted in insured losses in excess of $5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
   b. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

C. In the event of any incident of a "certified act of terrorism" that is not subject to this exclusion, coverage does not apply to any loss or damage that is otherwise excluded under this Coverage Part.

D. If aggregate insured losses attributable to terrorist acts certified under the federal Terrorism Risk Insurance Act exceed $100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds $100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SILICA OR SILICA-RELATED DUST EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. The following exclusion is added to Paragraph **2., Exclusions** of **Section I – Coverage A – Bodily Injury And Property Damage Liability:**

2. Exclusions

This insurance does not apply to:

Silica Or Silica-Related Dust

a. "Bodily injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, or ingestion of, "silica" or "silica-related dust".

b. "Property damage" arising, in whole or in part, out of the actual, alleged, threatened or suspected contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust".

c. Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "silica" or "silica-related dust", by any insured or by any other person or entity.

B. The following exclusion is added to Paragraph **2., Exclusions** of **Section I – Coverage B – Personal And Advertising Injury Liability:**

2. Exclusions

This insurance does not apply to:

Silica Or Silica-Related Dust

a. "Personal and advertising injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust".

b. Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "silica" or "silica-related dust", by any insured or by any other person or entity.

C. The following definitions are added to the **Definitions** Section:

1. "Silica" means silicon dioxide (occurring in crystalline, amorphous and impure forms), silica particles, silica dust or silica compounds.

2. "Silica-related dust" means a mixture or combination of silica and other dust or particles.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SPECIAL EXCLUSIONS AND LIMITATIONS ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. In consideration of the premium charged this policy has been issued subject to the following exclusions being added to Coverages A & B:

This insurance does not apply to:

1. **Asbestos or Lead**

   "Bodily injury", "property damage", or "personal and advertising injury" arising out of or resulting from the disposal, existence, handling, ingestion, inhalation, removal, sale, storage, transportation or use of:
   a. Asbestos or any material containing asbestos; or
   b. Lead, lead based paint, lead compounds or any material containing lead.

2. **Athletic or Sports Participants**

   "Bodily injury" to any person while practicing for, participating in or officiating at any sports or athletic contest or exhibition that you sponsor or in which you or your employees or guests participate.

3. **Communicable Disease or Diseases**

   "Bodily injury" or "personal and advertising injury" arising out of or resulting from the transmission or alleged transmission of any sexually transmitted disease or any other disease transmitted by bodily fluids or excretions.

4. **Criminal Acts**

   a. "Bodily injury" or "property damage" arising out of or resulting from a criminal act committed by any insured, including any additional insureds or
   b. "Bodily injury" or "property damage" arising out of or resulting from a criminal act at the direction of any insured, including any additional insureds.

5. **Punitive, Exemplary Treble Damages or Multipliers of Attorneys' Fees**

   Claims or demands for payment of punitive, exemplary or treble damages whether arising from the acts of any insured or by anyone else for whom or which any insured or additional insured is legally liable; including any multiplier of attorney's fees statutorily awarded to the prevailing party.

6. **Mold, Fungi, Virus, Bacteria, Air Quality, Contaminants, Minerals or Other Harmful Materials**

   a. "Bodily injury", "property damage", or "personal and advertising injury" arising out of, caused by, or contributed to in any way by the existence, growth, spread, dispersal, release, or escape of any mold, fungi, lichen, virus, bacteria or other growing organism that has toxic, hazardous, noxious, pathogenic, irritating or allergen qualities or characteristics. This exclusion applies to all such claims or causes of action, including allegations that any insured caused or contributed to conditions that encouraged the growth, depositing or establishment of such colonies of mold, lichen, fungi, virus, bacteria or other living or dead organism or

   b. "Bodily injury", "property damage", or "personal and advertising injury" arising out of, caused by, or alleging to be contributed to in any way by any toxic, hazardous, noxious, irritating, pathogenic or allergen qualities or characteristics of indoor air regardless of cause or

   c. "Bodily injury", "property damage", or "personal and advertising injury" arising out of, caused by, or alleging to be contributed to in any way by any insured's use, sale, installation or removal of any substance, material, or other product that is either alleged or deemed to be hazardous, toxic, irritating, pathogenic or noxious in any way, or contributes in any way to an allergic reaction.

   d. "Bodily injury", "property damage", or "personal and advertising injury" arising out of, caused by, or alleging to be contributed to in any way by toxic or hazardous properties of minerals or other substances.

7. **Work or Premises Specifically Insured Elsewhere**

   Claims, demands, requests for defense, payment, or any other cost arising out of, caused by, or occurring at premises or "your work" covered under any insurance purchased by you or others on your behalf specifically for that premises or project under a Consolidated Insurance Program (CIP), Owner Controlled Insurance Program (OCIP), Contractor Controlled Insurance Program (CCIP), Wrap-Up or similar insurance program.

8. **Failure To Complete "Your Work"**

   "Bodily injury", or "property damage" arising out of, caused by, resulting from, or alleged to be related to any insured's failure to complete "your work".

9. **Loss, Cost or Damages Prior To Tendered Claim**

   Any claim, loss, cost or damages that are projected, estimated, or otherwise assessed or adjudicated to be likely before such claims are actually made against the insured by the claimant, or their representatives, actually suffering the alleged "bodily injury" or "property damage".

B. It is agreed that the following exclusions from Section I Coverages are changed as shown below:

1. Liquor Liability

Exclusion c., Liquor Liability of Section I Coverages, Coverage A 2. Exclusions, is deleted and entirely replaced with the following:

c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

a. Causing or contributing to the intoxication of any person; or

b. The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or

c. Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you:

a. Are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages; or

b. Sell, otherwise provide, or make available alcoholic beverages as a regular part of your business or operations otherwise covered by this policy.

2. Infringement Of Copyright, Patent, Trademark or Trade Secret

Exclusion i., Infringement of Copyright, Patent, Trademark or Trade Secret, of Section I Coverages, Coverage B. 2. Exclusions, is deleted and entirely replaced with the following:

i. Infringement Of Copyright, Patent, Trademark or Trade Secret

Claims arising out of the infringement of copyright, patent, trademark, trade name, trade dress, trade secret or other intellectual property rights.

C. It is agreed that SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS is changed as follows:

1. Item 4. Other Insurance is deleted and entirely replaced by the following:

4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages A or B of this Coverage Part, our obligations are limited as follows:

a. This insurance is excess over any other insurance whether the other insurance is stated to be primary, pro rata, contributory, excess, contingent, umbrella, or on any other basis; unless the other insurance is issued to the named insured shown in the Declarations of this Coverage Part and is written explicitly to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

b. When this insurance is excess, we will have no duty under Coverage A or B to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

c. When this insurance is excess over other insurance, we will pay only our share of the amount of loss, if any, that exceeds the sum of:

(1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
(2) The total of all deductible and self insured amounts under all that other insurance.

2. **Item 5. Premium Audit is deleted and entirely replaced by the following:**

5. Premium Audit

a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.

b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period. Audit premiums are due and payable on notice to the first Named Insured. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.

c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

d. Any premium to be returned under b. above is subject to the minimum premium shown in the Declarations page as applicable to this Coverage Part.

3. **Item 9. When We Do Not Renew is deleted in its entirety and is not replaced.**

D. **It is agreed that the following changes are made to SECTION V – DEFINITIONS:**

The following definitions are deleted and entirely replaced:

1. **Item 5. "Employee" is deleted in its entirety and replaced by the following:**

5. "Employee" includes a "leased worker", a "temporary worker" and a "volunteer worker".

2. **Item 9. "Insured contract" is deleted in its entirety and replaced by the following:**

9. "Insured contract" means:

a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";

b. A sidetrack agreement;

c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;

d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;

e. An elevator maintenance agreement;

f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph f. does not include that part of any contract or agreement:

(1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;

(2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:

(a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or

(b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or

(3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection, architectural or engineering activities.

(4) That indemnifies another for the sole negligence of such other person or organization.

3. **Item 13. "Occurrence" is deleted in its entirety and replaced with the following:**

13. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions. All "bodily injury" or "property damage" arising out of an "occurrence" or series of related "occurrences" is deemed to take place at the time of the first such damage or injury even though the nature and extent of such damage or injury may change; and even though the damage may be continuous, progressive, cumulative, changing or evolving; and even though the "occurrence" causing such "bodily injury" or "property damage" may be continuous or repeated exposure to substantially the same general harmful conditions.

4. **Item 14. "Personal and advertising injury" is deleted in its entirety and replaced with the following:**

14. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:

a. False arrest, detention or imprisonment;
b. Malicious prosecution;
c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor; or
d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services.

5. **Item 17. "Property Damage" is deleted in its entirety and replaced with the following.**

17. "Property damage" means:

a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

For the purposes of this insurance, "property damage" is not physical injury to tangible property, any resultant loss of use of tangible property, nor loss of use of tangible property that is not physically injured that arises out of failure to complete or abandonment of "your work".

6. **Item 20. "Volunteer worker" is deleted in its entirety and replaced with the following:**

20. "Volunteer worker" means a person who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CLASSIFICATION AND LOCATION LIMITATION ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

A. The following condition is added to Section IV – Commercial General Liability Conditions:

Classification and Location Limitation

Coverage under this contract is strictly limited to the classification(s), code(s), and scheduled location(s) listed on the Commercial General Liability Coverage Declarations page and its endorsements or supplements.

No coverage is provided for operations not included within the classification shown on the Commercial General Liability Declarations, its endorsements or supplements for "bodily injury", "property damage", "personal and advertising injury" or medical payments.

No coverage is provided for locations which are not shown on the Commercial General Liability Coverage Declarations page its endorsements or supplements for "bodily injury", "property damage", "personal and advertising injury" or medical expenses.

This limitation does not apply to "bodily injury", "property damage", "personal and advertising injury" or medical expenses resulting from:

1. Work done at your customers' location if the operations are shown on the Commercial General Liability Coverage Declarations, its endorsements or supplements; or
2. Necessary and incidental operations that are directly related to the operations shown on the Commercial General Liability Coverage Declarations, its endorsements or supplements.

B. Paragraph **3.** of Section **II** – Who is an Insured, is deleted in its entirety and is not replaced.

All other terms and conditions of this policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT

(Broad Form)

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY

1. The insurance does not apply:

A. Under any Liability Coverage, to "bodily injury" or "property damage":

(1) With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or

(2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which **(a)** any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or **(b)** the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

B. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.

C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material", if:

(1) The "nuclear material" **(a)** is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or **(b)** has been discharged or dispersed therefrom;

(2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an "insured"; or

(3) The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion **(3)** applies only to "property damage" to such "nuclear facility" and any property thereat.

2. As used in this endorsement:

"Hazardous properties" includes radioactive, toxic or explosive properties.

"Nuclear material" means "source material", "special nuclear material" or "by-product material".

"Source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor".

"Waste" means any waste material **(a)** containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and **(b)** resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".

"Nuclear facility" means:

(a) Any "nuclear reactor";

(b) Any equipment or device designed or used for **(1)** separating the isotopes of uranium or plutonium, **(2)** processing or utilizing "spent fuel", or **(3)** handling, processing or packaging "waste";

(c) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

(d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

"Property damage" includes all forms of radioactive contamination of property.